

The demand by home owners for loans with which to undertake improvements in their properties is increasing steadily. These people realize that a stitch in time saves nine. They know that every dollar they spend today for such repairs will save them many dollars later on. The longer such upkeep expenditure as reroofing, repainting, and other necessary maintenance of that kind is postponed, the more damage will be done by wear and tear, and the higher the cost of repairs would be.

Mortgage money for these worth-while undertakings is ready to be borrowed. The first step is to get in touch with some well-managed, private home-financing institution, such as a building-and-loan association, savings bank, or insurance company representative in your vicinity, and discuss your repair or building plans and your mortgage requirements fully.

The greatest need, and probably the greatest opportunity for accelerating our progress in the United States today is to have better homes at reasonable cost. To some extent, this means building new homes. To a much wider degree it means the modernization of good homes that have been built in the past. Millions of people in this country, of large and small incomes, are living in houses which could be made far more comfortable and more attractive with only a small outlay of money.

Let me assure you that the Federal Government is bending every effort to help American home owners in that direction. The time is coming when more people will insist upon taking just as much pride in their homes as they do now in their motor cars. They will insist upon good architecture, sound construction, and proper community planning as the necessary steps toward better and more permanent value and lower cost. Every citizen should give his self-interested cooperation to these vital changes which are now taking place.

DEATH OF REPRESENTATIVE COFFIN, OF IDAHO

The VICE PRESIDENT. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
June 9, 1934.

Resolved, That the House has heard with profound sorrow of the death of Hon. THOMAS C. COFFIN, a Representative from the State of Idaho.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect, this House do now adjourn.

Mr. BORAH. Mr. President, I send to the desk resolutions which I ask to have read and immediately considered.

The resolutions (S.Res. 265) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. THOMAS C. COFFIN, late a Representative from the State of Idaho.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution, the Vice President appointed Mr. BORAH and Mr. POPE the committee on the part of the Senate.

Mr. BORAH. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was unanimously agreed to; and (at 6 o'clock and 30 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, June 12, 1934, at 11 o'clock a.m.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 11, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O Bishop of our Souls and Shepherd Divine, Thou of the crozier and the cross, let us start this day with gladness and hope of heart. We pray that every today and every to-

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morrow may bring us closer to the truth of the Ancient of Days. Heavenly Father, for the sake of the good that now is, help us to pass to the better that is to be. Guard our Nation against causes of failure, for quite unconsciously do people lose the great qualities of soul. Almighty God, hold rich man and poor man, statesman and private citizen to the sense of self-control. With heart and brain, may they give themselves to sacrificial, unselfish devotion to those institutions that have made the Republic the friend of all men. Most graciously be with our President these hours and days; crown him with strength and wisdom; and may the pilot wheel of Government ever turn with liberty and justice for all, and may our flag be kept floating toward the morning sun and the evening sunset. In the name of the Prince of Peace. Amen.

The Journal of the proceedings of Saturday, June 9, 1934, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2156. An act for the relief of the American-La France Foamite Corporation of New York;

S. 3532. An act granting certain property to the State of Wisconsin for institutional purposes;

S. 3553. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey; and

S. 3739. An act authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8781) entitled "An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes."

CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

THE LEMKE-FRAZIER BILL

Mr. DOWELL. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it.

Mr. DOWELL. When a motion to discharge a committee has been on the calendar for more than 7 days, is it not in order that that should be called up at this time?

Mr. BLANTON. Is there any such motion?

Mr. SWANK. Mr. Speaker, I rise to a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SWANK. Mr. Speaker, I filed a motion to discharge the Committee on Agriculture from further consideration of what is known as the "Lemke-Frazier farm bill." That motion was placed on the Discharge Calendar the 2d day of June, and it has been on there now for 9 days. The rule

provides that any Member who signed the motion to discharge, after the motion has been on the calendar at least 7 days, shall be recognized for the purpose of calling up the motion, and I rise at this time for that purpose.

Mr. BLANTON. Mr. Speaker, I make the point of order that 7 legislative days have not intervened.

Mr. SWANK. Mr. Speaker, the rule does not say "7 legislative days." It merely says "7 days."

The SPEAKER. The calendar days June 4, 5, 6, 7, and 8 are 1 legislative day.

Mr. SWANK. Is it the ruling of the Speaker that the motion must be on the calendar for 7 legislative days?

The SPEAKER. That is the ruling.

Mr. DOWELL. Mr. Speaker, I desire to be heard on the point of order. Paragraph 4, rule 27, provides in part:

A Member may present to the Clerk a motion in writing to discharge a committee from the consideration of a public bill or resolution which has been referred to it 30 days prior thereto.

This motion was signed by 145 Members of the House, and was recorded in the Journal and in the RECORD on June 2. Further under this rule I read, as follows:

On the second and fourth Mondays of each month, except during the last 6 days of any session of Congress, immediately after the approval of the Journal, any Member who has signed a motion to discharge which has been on the calendar at least 7 days prior thereto, and seeks recognition, shall be recognized for the purpose of calling up the motion.

That is the motion of the gentleman from Oklahoma [Mr. SWANK] to call up the Frazier-Lemke bill. Mr. Speaker, I appreciate the fact that a short time ago a rule was adopted by this House giving to the floor leader the right to move to recess the House, which, as I am advised, was exercised on four different occasions since this motion was filed. In other words, under the rule that was adopted giving to the leader the right to make that motion, he exercised it, and a recess was granted under the terms of the motion, instead of the ordinary adjournment. The rule under which this motion is called up, if the Speaker will please note, was adopted by the House in December of 1931. I emphasize again the reading of the rule because the gentleman from Texas [Mr. BLANTON] has raised the point that 7 legislative days have not intervened. If this rule had intended to say legislative days in 1931 it would have said legislative days, but the rule says in plain English:

Any Member who has signed a motion to discharge which has been on the calendar at least 7 days.

I appreciate the fact that the gentleman from Tennessee, when he made the motion to recess, had in his mind, and that those who voted for it had in their minds, the defeat of this rule.

Mr. BANKHEAD. Mr. Speaker, I doubt the propriety of that sort of argument on a point of order. The gentleman is making a political argument.

Mr. BYRNS. Mr. Speaker, inasmuch as the gentleman has referred specifically to me I hope he will yield to me to say that he is wholly mistaken. The question of defeating this rule was not of primary importance, whatever the effect of the recess may have been. I may say to the gentleman and I would not be entirely frank if I did not say that I was opposed to the McLeod bill, if that is what the gentleman is talking about.

Mr. DOWELL. The question is on the Lemke bill.

Mr. BYRNS. But my main object was to carry Monday over in order that the Unanimous Consent Calendar might be considered, and it was necessary to carry it until Thursday until we could consider it. And to prevent a recurrence of what occurred here several days ago, when 2½ hours were consumed in reading the Journal.

Mr. DOWELL. However that may be, and I accept the gentleman's explanation, the effect was to have 3 or 4 legislative days intervene in the meantime.

May I say further, Mr. Speaker, that the rule adopted in 1931 makes no reference to a legislative day. It refers to the fact that a motion must be on file 7 days at least, and then it may be called up by anyone signing the discharge motion.

Mr. BLANTON. Will the gentleman yield?

Mr. DOWELL. I cannot yield just now. The whole purpose of this rule is to bring this Lemke bill to a vote immediately in the House. This House has been in session every day since the 2d day of June, when this motion took effect by the signatures of 145 Members of the House. My position is that after this rule has been signed by 145 Members of the House, after a lapse of 7 days, they are entitled to vote on this bill on the second or fourth Monday of the session. Now, it has been held that Sunday is not a legislative day, but there is no ruling, as far as I have been able to find, where the defeat of a plain rule can be had by recessing the House to the next day instead of adjournment.

Now, Mr. Speaker, if this could be accomplished by this method of procedure and if this rule is to be defeated by reason of the fact that a recess was had from one day to the other, then it seems to me the rule is to be set aside from time to time and cannot be put into execution.

Mr. BLANTON. Mr. Speaker, I ask the Chair to hear me for a moment.

Mr. BANKHEAD. Well, Mr. Speaker, let us get the parliamentary situation straight. I understand this question is submitted upon a parliamentary inquiry.

Mr. BLANTON. And I made a point of order.

Mr. BANKHEAD. As I recall, the gentleman from Iowa [Mr. DOWELL] submitted a parliamentary inquiry. Thereupon the gentleman from Oklahoma [Mr. SWANK] submitted an additional parliamentary inquiry; so that the matter is now pending before the Chair.

Mr. BLANTON. I ask to be heard a moment under reservation.

The SPEAKER. The Chair will hear the gentleman from Texas.

Mr. BLANTON. There is no Member of this House, versed in parliamentary procedure, who would claim that a Sunday or a holiday could be counted in these necessary 7 days that must intervene.

Mr. DOWELL. That has already been held.

Mr. BLANTON. I do not yield, Mr. Speaker. It was held by Mr. Speaker Longworth that no Sunday or holiday could be counted as one of the necessary 7 days, as they must be legislative working days of the House.

For every legislative working day of this House the Journal must be read. There was no Journal read on these 4 calendar days, because the House was in recess. For every regular legislative working day of this House it must be opened by the Chaplain with a prayer. There was no opening of this House for these 4 days by a prayer of the Chaplain. Every single Member of this House had the right to vote against the rule that permitted the majority leader to move to take a recess, and if they had not been in favor of such rule, discharge rules, they could have defeated it by getting one more than one-third of the Members voting to vote against it, for it required a two-thirds majority, and on every discharge rule it takes a majority vote of this House to bring it up. I think the position taken by the gentleman from Iowa [Mr. DOWELL], is not well taken, and that my point of order should be sustained.

The SPEAKER. The Chair is ready to rule.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry, for the purpose of clearing up the situation.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. I understand the gentleman from Oklahoma [Mr. SWANK] asked for recognition to move to discharge a committee?

The SPEAKER. The Chair so understands.

Mr. BOILEAU. And that is the matter before the House.

Mr. DOWELL. And a point of order was made against that by the gentleman from Texas [Mr. BLANTON].

The SPEAKER. That is the situation. The Chair is ready to rule.

Mr. Speaker Longworth, in construing the Consent Calendar rule which provided that on the first and third Mondays of each month, immediately after the reading of the Journal, the Speaker should direct the Clerk to call bills which had been 3 days upon the Consent Calendar, held—

In order to be called on the Consent Calendar bills must be on the printed calendar three legislative working days.

The Chair thinks that the decision made by Speaker Longworth is applicable in the instant case and holds that the motion to discharge which the gentleman from Oklahoma [Mr. SWANK] desires to call up, has not been on the Calendar 7 legislative working days, and therefore cannot now be called up.

TO AMEND THE FEDERAL RESERVE ACT

Mr. STEAGALL. Mr. Speaker, I call up the conference report on the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That section 12B of the Federal Reserve Act is amended—

"(1) By striking out 'July 1, 1934' wherever it appears in subsections (e), (l), and (y), and inserting in lieu thereof 'July 1, 1935';

"(2) By striking out 'June 15, 1934' where it appears in the last sentence of the third paragraph of subsection (y) and inserting in lieu thereof 'October 1, 1934';

"(3) By striking out 'June 30, 1934' where it appears in the first sentence of the fifth paragraph of subsection (y) and inserting in lieu thereof 'June 30, 1935';

"(4) By amending the second sentence of the fifth paragraph of subsection (y) to comprise two sentences reading as follows: 'The provisions of such subsection (l) relating to State member banks shall be extended for the purposes of this subsection to members of the fund which are not members of the Federal Reserve System, and the provisions of such subsection (l) relating to the appointment of the Corporation as receiver shall be applicable to all members of the fund. The provisions of this subsection shall apply only to deposits of members of the fund which have been made available since March 10, 1933, for withdrawal in the usual course of the banking business.';

"(5) By adding to the sixth paragraph of subsection (y) the following: 'The Corporation shall prescribe by regulations the manner of exercise of the right of nonmember banks to withdraw from membership in the fund on July 1, 1934, except that no bank shall be permitted to withdraw unless 10 days prior thereto it has given written notice to the Corporation of its election so to do. Banks which withdraw from the fund on July 1, 1934, shall be entitled to a refund of their proportionate share of any estimated balance in the fund on the same basis as if the fund had terminated on July 1, 1934.';

"(6) By adding to the end of the fourth paragraph of subsection (y) the following new paragraphs:

"On and after July 1, 1934, the amount eligible for insurance under this subsection for the purposes of the October 1, 1934 certified statement, any entrance assessment, and, if levied, the additional assessment, shall be the amounts not in excess of \$5,000 of the deposits of each depositor.

"Each mutual savings bank, unless it becomes subject to the provisions of the preceding paragraph in the manner hereinafter provided, shall be excepted from the operation of the preceding paragraph and for each such bank which is

so excepted the amount eligible for insurance under this subsection for the purposes of the October 1, 1934, certified statement, any entrance assessment, and, if levied, the additional assessment, shall be the amounts not in excess of \$2,500 for the deposits of each depositor. In the event any mutual savings bank shall be closed on account of inability to meet its deposit liabilities the Corporation shall pay not more than \$2,500 on account of the net approved claim of any owner of deposits in such bank: *Provided, however,* That should any mutual savings bank make manifest to the Corporation its election to be subject to the provisions of the preceding paragraph the Corporation may, in the discretion of the board of directors, permit such bank to become so subject and the insurance of its deposits to continue on the same basis and to the same extent as that of fund members other than mutual savings banks.

"The Corporation, in the discretion of the board of directors, may open on its books solely for the benefit of mutual savings banks an additional Temporary Federal Deposit Insurance Fund (hereinafter referred to as the "Fund for Mutuals") which, if opened, shall become operative on or after July 1, 1934, but prior to August 1, 1934, and shall continue to July 1, 1935. If the Fund for Mutuals is opened on the books of the Corporation, each mutual savings bank which is or becomes entitled to the benefits of insurance during the period of its operation shall be a member thereof and shall not be a fund member. All assessments on each mutual savings bank, including payments heretofore made to the Corporation less an equitable deduction for liabilities and expenses of the fund incurred prior to the opening of the Fund for Mutuals, if opened, shall be transferred or paid, as the case may be, to the Fund for Mutuals. All provisions of this section applicable to the fund and not inconsistent with this paragraph shall be applicable to the Fund for Mutuals if opened, except that as to any period the two are in operation, the fund shall not be subject to the liabilities of the Fund for Mutuals and the Fund for Mutuals shall not be subject to the liabilities of the fund. Each mutual savings bank admitted to the fund shall bear its equitable share of the liabilities of the fund for the period it is a member thereof, including expenses of operation and allowing for anticipated recovery";

"(7) By striking out the period at the end of the first sentence of the fifth paragraph of subsection (y) and inserting in lieu thereof a comma and the following: 'if the member closed on or before June 30, 1934, and not more than \$5,000 if closed on or after July 1, 1934.';

"(8) By (a) striking out 'July 1, 1936' in the first sentence of subsection (l) and inserting in lieu thereof 'July 1, 1937', (b) striking out the words 'July 1, 1936' in the seventh paragraph of subsection (y) and inserting in lieu thereof 'July 1, 1937', and (c) adding after the seventh paragraph of subsection (y) the following new paragraph:

"Until July 1, 1937, any State bank may obtain the benefits of this section on and after the date the fund is terminated upon the conditions with regard to examination, certification, and approval governing the admission of State banks to the fund and upon purchasing such class A stock or making such a deposit as is prescribed in the preceding paragraph for former fund members."

"(9) By adding at the end of the first paragraph of subsection (v) the following new paragraph:

"Every insured bank shall display at each place of business maintained by it a sign or signs to the effect that its deposits are insured by the Federal Deposit Insurance Corporation. The Corporation shall prescribe by regulation the form of such sign and the manner of its display. Such regulation may impose a maximum penalty of \$100 for each day an insured bank continues to violate any lawful provisions of said regulation."; and

"(10) By amending the first sentence of the second paragraph of subsection (y) by inserting within the parentheses and immediately after the words 'District of Columbia' the words 'and the Territories of Hawaii and Alaska'.

"SEC. 2. The first paragraph of section 9 of the Federal Reserve Act, as amended (U.S.C., title 12, sec. 321), is

amended by adding after the second sentence thereof a new sentence to read as follows: 'For the purposes of membership of any such bank the terms "capital" and "capital stock" shall include the amount of outstanding capital notes and debentures legally issued by the applying bank and purchased by the Reconstruction Finance Corporation.'

"SEC. 3. (a) The Reconstruction Finance Corporation Act, as amended, is amended by adding before section 6 thereof the following new section:

"SEC. 5e. (a) The Corporation is authorized and empowered to make loans upon or purchase the assets of any bank, savings bank, or trust company, which has been closed on or after December 31, 1929, and prior to January 1, 1934, and the affairs of which have not been fully liquidated or wound up, upon such terms and conditions as the Corporation may by regulations prescribe. If in connection with the reorganization, stabilization, or liquidation of any such bank, assets have been trustee or are otherwise held for the benefit of depositors or depositors and others, the authority, subject to regulations, as provided in the preceding sentence shall be extended for the purpose of authorizing the Corporation to purchase or make loans on such assets held for the benefit of such depositors or depositors and others. This authority shall also extend to any such institution that has reopened without payment of deposits in full. In making any purchase of or loan on the assets of any closed bank, the Corporation shall appraise such assets in anticipation of an orderly liquidation over a period of years, rather than on the basis of forced selling values in a period of business depression. This authority shall also extend to assets of the character made eligible by this section as security for loans without regard to whether the Corporation has heretofore made loans thereon.

"(b) The Corporation shall purchase at par value such debentures or other obligations of the Federal Deposit Insurance Corporation as are authorized to be issued under subsection (o) of section 12B of the Federal Reserve Act, as amended, upon request of the board of directors of the Federal Deposit Insurance Corporation, whenever in the judgment of said board additional funds are required for insurance purposes: *Provided*, That the Corporation shall not purchase or hold at any time said debentures or other obligation in excess of \$250,000,000 par value: *Provided further*, That the proceeds derived from the purchase by the Corporation of any such debentures or other such obligations shall be used by the Federal Deposit Insurance Corporation solely in carrying out its functions with respect to such insurance.

"(c) The amount of notes, bonds, debentures, and other such obligations which the Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by \$250,000,000.'

"SEC. 4. So much of section 31 of the Banking Act of 1933 as relates to stock ownership by directors, trustees, or members of similar governing bodies of member banks of the Federal Reserve System, is hereby repealed."

And the House agree to the same.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ROBERT LUCE,

Managers on the part of the House.

DUNCAN U. FLETCHER,
CARTER GLASS,
ROBERT J. BULKLEY,
JOHN G. TOWNSEND, Jr.,
F. C. WALCOTT,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, submit the following statement in explanation of the effect of the action agreed

upon by the conference and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed upon by the conferees are noted in the following outline, except for incidental changes made necessary by reason of the agreement reached by the conferees, and minor and clarifying changes.

The House amendment (sec. 1 (5)) added a new sentence to the sixth paragraph of subsection (y) of section 12B of the Federal Reserve Act, giving to the Federal Deposit Insurance Corporation the power to prescribe by regulations the manner of exercise of the right of nonmember banks to withdraw from membership in the Temporary Federal Deposit Insurance Fund on July 1, 1934, but provided specifically that no bank should be permitted to withdraw unless 20 days' notice of such withdrawal prior to such date was given by the bank to each of its depositors and to the Corporation. The substitute (sec. 1 (5)) adopts the provision of the House amendment, except that the requirement of 20 days is reduced to 10 days, owing to the nearness of the date for withdrawal, and eliminates the requirement of written notice to each of the depositors of the bank, due to the obvious difficulty which large savings banks would meet in complying with such requirement. In this connection it should be noted that the substitute (sec. 1 (9)) retains the provision for the protection of depositors contained in the House amendment, which requires members of the fund to display at their places of business a sign or signs to the effect that their deposits are insured by the Federal Deposit Insurance Corporation.

The House amendment (sec. 1 (6)) contained a provision placing mutual savings banks in a separate category as to insurance under the temporary plan, their deposits to be insured only to the extent of \$2,500, unless they make definite application to the Corporation to continue on the same basis and to the same extent as other fund members. The substitute (sec. 1 (6)) retains this provision, but amplifies the underlying principle thereof by conferring upon the Corporation discretionary power to open on its books an additional temporary fund, to be known as the "Fund for Mutuals", of which, if opened, all mutual savings banks which are or become entitled to the benefits of insurance shall be members. If opened, the Fund for Mutuals is to become operative on or after July 1, 1934, but before August 1, 1934, and is to continue until July 1, 1935; and during its operation no mutual savings bank is to be a fund member.

The House amendment (sec. 1 (8)) amended subsection (1), and the seventh paragraph of subsection (y), of section 12B by removing therefrom the limitation—July 1, 1936—as to the insurance of deposits in State banks not members of the Federal Reserve System, and added a new paragraph to subsection (y) expressly permitting such nonmember banks to obtain the benefits of insurance after the temporary fund is terminated "upon the conditions with regard to examination, certification, and approval governing the admission of State banks to the fund and upon purchasing such class A stock or making such deposit as is prescribed" for former fund members. The substitute (sec. 1 (8)) modifies these provisions of the House amendment so as to postpone the termination of insurance of such nonmember banks until July 1, 1937, and to permit nonmember banks to obtain the benefits of the permanent insurance after the fund is terminated—July 1, 1935—until July 1, 1937.

The House amendment (sec. 1 (9) and (10)) provided for an increase in the amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized to have outstanding under subsection (o) of section 12B from three times the amount of its capital to five times the amounts of its "subscribed capital"; and further provided for the guarantee by the United States of the principal interest of such of the obligations of the Corporation as the

Corporation, with the approval of the Secretary of the Treasury, might determine. The substitute eliminates these provisions, but includes (sec. 3 (b)) a direction to the Reconstruction Finance Corporation to purchase the obligations of the Federal Deposit Insurance Corporation, upon request of the board of directors of insurance corporation whenever the latter is in need of additional funds for insurance purposes, to the extent of \$250,000,000; and it is also provided that the proceeds from such purchase shall be used by the insurance corporation solely for insurance purposes. The borrowing power of the Reconstruction Finance Corporation under existing law is increased (sec. 3 (c)) by \$250,000,000.

The House amendment (sec. 4 (a)) conferred upon the Federal Deposit Insurance Corporation the power to make loans upon or purchase the assets of any bank, savings bank, or trust company which was closed on or after December 31, 1929, and prior to January 1, 1934, and the affairs of which have not been fully liquidated or wound up, the appraisal of assets for such purposes to be made "in anticipation of an orderly liquidation over a period of years rather than on the basis of forced selling values in a period of business depression." The substitute (sec. 3 (a)) places this power in the Reconstruction Finance Corporation (retaining, however, the same standards for the exercise thereof as are contained in the House amendment).

The House amendment (sec. 4 (b)) amended subsection (1) of section 12B with respect to the division, as between the depositors of the bank and the Corporation, of the amounts realized upon the liquidation by the Corporation of the assets of an insured bank which has been closed. This amendment would change the existing law which provides that the Corporation shall take all such dividends until it has reimbursed itself to the full amount of the insured liability of each depositor and shall then pay any further dividends to each depositor on the basis of the bank's deposit liability to him, so as to provide that in case the amount of the bank's deposit liability to any depositor exceeds the amount of the insured deposit liability, the Corporation and the depositor "shall share ratably in the dividends insofar as the same are based upon deposit liability to such depositor according to the ratio that the insured liability to such depositor bears to the total amount of the net approved claim of such depositor." The substitute eliminates this provision.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ROBERT LUCE,

Managers on the part of the House.

Mr. STEAGALL. Mr. Speaker, the Senate bill provided for the extension of the provisions of the Banking Act of 1933, establishing a plan for the temporary insurance of bank deposits, from January 1, 1934, to the 1st day of July 1934, so that the temporary plan would be operative until the 1st of July 1935, and postponing the effectiveness of the permanent plan for insurance of bank deposits until the 1st of July 1935.

The original amount of insurance provided under the temporary plan covers \$2,500 for each individual deposit. That provision was continued by the Senate bill. Under the House bill the temporary insurance was raised to the amount of \$5,000 for each depositor. There has also been incorporated in the report a provision of the House bill which will permit mutual savings banks to remain in the insurance corporation under the plan which insures each individual depositor up to the amount of \$2,500, or, upon the application of such banks, to increase the insurance up to \$5,000 for each individual depositor.

In addition to that there is a provision which would authorize the Deposit Insurance Corporation to set up a separate fund for the insurance of deposits in mutual savings banks which would place these institutions in a category separate from other insured institutions.

The House bill embodied a provision which authorized the Federal Deposit Insurance Corporation to expand its capital five times by issuing its obligations to be guaranteed by the

Treasury. The present law authorizes the Deposit Insurance Corporation to expand its obligations three times, and this provision is retained.

The measure as reported authorizes the Reconstruction Finance Corporation to make loans upon and to purchase the assets of closed banks. This provision is identical in substance with the provision incorporated in the House bill which contemplated relief for depositors in closed banks by the Federal Deposit Insurance Corporation. There was in the House bill a provision which eliminated the requirements in the Banking Act of 1933 that all nonmember banks could be insured only down to the 1st of July 1936 without joining the Federal Reserve System. The conferees extended for the period of 1 year the time within which nonmember banks may be insured without joining the Federal Reserve System. So this privilege runs until the 1st of July 1937.

The House conferees return with a report which adopts substantially everything embodied in the House bill except a slight compromise, as I have indicated, with reference to the right of nonmember banks to be insured without joining the Federal Reserve System.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. JOHNSON of Texas. Does the conference report contain any statement with reference to the capital-stock holdings of directors of banks?

Mr. STEAGALL. I thank the gentleman for mentioning this matter. It was one of the main thoughts I had in mind in taking any time in connection with this report.

There is a wide-spread interest throughout the country in a provision of the Banking Act of 1933 which changed the law respecting the requirements for stock ownership by directors of national banks. There is on the Speaker's desk a bill reported by the Committee on Banking and Currency which amends the Banking Act of 1933 so as to restore the original law that existed prior to the act of 1933. To save the time of the House we did not call up this bill under suspension but incorporated its provisions in the present bill, the report on which is now before the House. So under the bill now before us we will go back to the old law in existence prior to the act of 1933. Under that law directors in national banks will be required to own, each director in his own right, capital stock of his institution to the par value of \$1,000.

I make this statement because banks throughout the country are greatly interested, especially the small banks, on account of difficulties encountered in meeting the requirements of the Banking Act of 1933 in that regard.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MAY. What did the conferees agree upon as to the size of any individual deposit to be guaranteed?

Mr. STEAGALL. The amount of temporary insurance is raised from \$2,500 as provided in the Banking Act of 1933 and as provided in the Senate bill to \$5,000 as provided in the House bill. This represents a substantial forward step in the insurance of bank deposits. I may say to the gentleman, as I said when the bill was under consideration in the House, that it is agreed on all sides, and we have assurance from the members of the Banking and Currency Committee of the Senate and from the administration, that there will be no backward step in this great reform for the insurance of bank deposits and that no move for its repeal will be tolerated.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New York.

Mr. FITZPATRICK. This will repeal part of section 31 of the act of 1933?

Mr. STEAGALL. That is correct.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. On page 9, subsection (c), it is sought to amend section 31. That is the section that refers to the change in the law with reference to the requirement of ownership of stock?

Mr. STEAGALL. I have explained that under the bill now before us we return to the requirements of the law in existence prior to the Banking Act of 1933.

Mr. JENKINS of Ohio. That was \$1,000?

Mr. STEAGALL. That was \$1,000 stock par value, to be owned by each director.

Mr. McFADDEN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. In regard to the amendment to section 3 of the Reconstruction Finance Corporation Act, I notice authority there in section 5 (L) to loan to the Federal Deposit Insurance Corporation \$250,000,000 on their debentures. I had supposed that the Federal Deposit Insurance Corporation was organized to keep the United States Government out of this question of guaranty of bank deposits. This amendment permits the use of Treasury funds through the Reconstruction Finance Corporation to the extent of \$250,000,000. This involves the United States Government still further in guaranty of bank deposits.

Mr. STEAGALL. That is correct.

Mr. McFADDEN. Then the Federal Deposit Insurance Corporation is not an independent institution?

Mr. STEAGALL. I may say to the gentleman that the Deposit Insurance Corporation has now \$290,000,000 of capital. It has approximately \$40,000,000 representing an assessment against banks participating in the Corporation and based upon the amount of deposits insured, the assessment being one-fourth of 1 percent, and the Corporation is authorized to assess as much as 1 percent against all deposits insured. The enlargement of the insurance of each individual depositor to \$5,000 will add something like \$5,000,000 perhaps to the insurance fund, which would authorize an additional assessment. This means that the Corporation may raise, in addition to its capital stock under the temporary plan, another \$150,000,000 as a minimum estimate; so that the Corporation will have about \$450,000,000 of initial funds.

The Corporation is permitted to expand three times under the original law, which is to be retained; but it was thought desirable to have access to the facilities of the Reconstruction Finance Corporation for the reason that it was not deemed desirable to have the Deposit Insurance Corporation undertake to sell its debentures in opposition to obligations of similar Government agencies that are guaranteed by the Treasury. It is not thought that there is the slightest possibility of any requirement of a loan or the purchase of assets of the Federal Deposit Insurance Corporation by the Reconstruction Finance Corporation. This is simply a safeguard to assure the country and the public that the Deposit Insurance Corporation has ample funds with which to do the work of insuring deposits. Under the law, the Deposit Insurance Corporation will have potential resources of approximately one and one-half billion dollars.

During the 6 months that have passed, the Deposit Insurance Corporation has not been called upon to pay one dollar to any depositor of any bank in the United States belonging to the Deposit Insurance Corporation, and the Deposit Insurance Corporation is operating at a profit of \$1,000,000 a month.

Mr. McFADDEN. If I understand the gentleman correctly, the expansion beyond the capital of the Federal Deposit Insurance Co. which has already been provided is three times its capital, plus the right to borrow from the Reconstruction Finance Corporation \$250,000,000 more?

Mr. STEAGALL. The Reconstruction Finance Corporation is required to purchase assets to that amount upon request of the Federal Deposit Insurance Corporation.

Mr. McFADDEN. That is the extent of their liability?

Mr. STEAGALL. Yes.

Mr. McFADDEN. I had understood, as other Members, that when the Federal Deposit Insurance Corporation was incorporated with this capital which was contributed by the member banks of the Federal Reserve System and through the allocation of the surplus of the Federal Reserve System

plus a further contribution from the Government that the Federal Deposit Insurance Corporation would stand on its own foundation.

Mr. STEAGALL. Yes.

Mr. McFADDEN. Here we find an authorization to the Reconstruction Finance Corporation, which is simply the back door of the Treasury, to loan \$250,000,000, so that this involves the Government in the insurance of bank deposits. May I ask the gentleman whether this is Federal insurance or not?

Mr. STEAGALL. The gentleman understands, I am sure, that under the permanent plan for the insurance of deposits the set-up for the raising of capital is continued as it is under the temporary plan, with additional capital in the form of subscriptions by the banks, amounting to one-half of 1 percent based on their total deposits.

Under the permanent plan the Deposit Insurance Corporation is authorized, whenever their funds amount to less than one-fourth of 1 percent of all deposits of participating banks, to levy an additional charge of one-fourth of 1 percent against the participating banks. The permanent provisions of the bill place the obligation and the burden, with the exception of the initial capital, upon the participating banks of the country. The extension of the temporary plan for a period of 1 year made it desirable, and we thought prudent to incorporate in the provisions a plan which would safeguard the corporation in the matter of available funds sufficient to meet any possible anticipated contingency, and for this reason we have given the corporation may borrow \$250,000,000 from the Reconstruction Finance Corporation—

Mr. McFADDEN. I think it should be made perfectly clear that in order that the Federal Deposit Insurance Corporation may borrow \$250,000,000 from the Reconstruction Finance Corporation—

Mr. STEAGALL. The Reconstruction Finance Corporation is authorized to purchase debentures of the Deposit Insurance Corporation.

Mr. McFADDEN. We are increasing the authority of the Reconstruction Finance Corporation to borrow on its debentures from the United States Treasury by \$250,000,000 more.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. PATMAN. It is rather unusual for the Government to furnish the initial capital and then allow the company getting the money to expand it from 3 to 5 times. In this particular case the Federal Deposit Insurance Corporation, under existing law, can expand 3 times, and I notice this conference report extends that to 5 times the amount of the subscribed stock, which may be as much as 10 or 15 times the actual paid-in capital stock. Is it not a fact that this impresses the Corporation with the title of an investment trust more than anything else?

Mr. STEAGALL. Of course, the purpose of permitting a liberal expansion of the capital of the corporation is to assure the public, whose confidence we are attempting to restore in the banks of the Nation, that the Corporation has ample funds available and sufficient to meet its responsibilities.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ROSEMONDE E. LAFFERTY

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 425

Resolved, That there shall be paid, out of the contingent fund of the House, to Rosemonde E. Lafferty, widow of George Carter

Lafferty, late an official reporter of debates of the House of Representatives, an amount equal to 6 months' compensation and an additional amount, not exceeding \$250, to defray funeral expenses of the said George Carter Lafferty.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION OF SUBVERSIVE PROPAGANDA ACTIVITIES

Mr. WARREN. Mr. Speaker, I offer another privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 424

Resolved, That the special committee created by House Resolution 198, Seventy-third Congress, second session, to investigate Nazi propaganda activities and certain other subversive propaganda and other matters in relation thereto is hereby authorized to expend not exceeding the sum of \$40,000 in addition to the amount authorized to be expended by House Resolution 199, Seventy-third Congress, second session, such additional amount to be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts.

With the following committee amendment:

In line 6, strike out "\$40,000" and insert in lieu thereof "\$20,000"; and at the end of the resolution add the following: "That the official committee reporters shall be used at all hearings held in the District of Columbia."

Mr. O'MALLEY. Mr. Speaker, will the gentleman from North Carolina yield?

Mr. WARREN. Yes.

Mr. O'MALLEY. Does this resolution mean we are raising the appropriation for the Nazi investigation from \$25,000 to \$40,000?

Mr. WARREN. I may state to the gentleman that the House has already appropriated \$10,000 and they have asked for an additional \$40,000. The committee now comes in with an amendment to make it \$20,000.

Mr. O'MALLEY. In other words, the total amount of money the committee will have will be \$30,000?

Mr. WARREN. If the committee is sustained here this morning; yes.

Mr. Speaker, I yield 12 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I find it rather difficult to take issue with my distinguished friend from North Carolina [Mr. WARREN], and I find it a little difficult to advance to the House the necessity of the special committee recommendation being adopted, in view of the statement which was originally made to the Committee on Accounts that the maximum amount would probably not exceed \$25,000.

However, as chairman of the special committee, I introduced the resolution asking for \$40,000 additional because I felt that was the minimum amount that was reasonably necessary in order to carry out the investigation which the House has ordered.

It must be borne in mind that I have no personal feeling, and will have no personal reaction on whatever action the House may take, whether it gives \$20,000 or \$40,000. If the House should determine that \$5,000 was all that was necessary, I would carry on on that basis. If the House should determine that \$20,000 or \$40,000 in addition should be given, I will carry on the work as chairman of the committee that has been assigned to me.

At the time the statements were made to the Committee on Accounts by those who made them, it was never thought or conceived that the investigation would go to the extent it has gone. When I was appointed chairman of the committee, I never thought that the evidence which has been disclosed ever existed in the United States. I never thought that there would be anything discovered outside of individual activity, and that the activities engaged in were more or less confined to individuals in this country. I never thought that we would make a contact with a foreign government, or a political party in control of a foreign government, sending instructions into the United States to persons in the United States, a few citizens and most of them aliens,

to engage in activities within our borders for the purpose of arraying Americans against Americans because of their race. I consider the attempt to array Americans against Americans because of racial or religious differences subversive to our Government and our people.

When I was appointed chairman I reached the conclusion that there would be no speech-making before the committee.

The committee has received information from many sources of the activities of certain persons, but at the outset we determined, and properly so, that there be a complete investigation made by the committee itself in order to ascertain the facts. The committee also determined to try to obtain evidence as to the origin of any subversive efforts in this country and to be sure that the evidence and the reputed facts were reasonably certain before summoning any witness to a public hearing.

It is immaterial to me who may be involved by the facts that might be developed—if it is evidence and not mere opinion of some person it will be brought out into the public for the benefit of the American people, and for the use and benefit of the Congress for its future action.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield? Mr. McCORMACK. Yes.

Mr. BANKHEAD. The controversy now pending before the House seems to be whether or not the gentleman's committee will need \$40,000 to complete this investigation, and whether or not the amount recommended by the Committee on Accounts will be sufficient. I am sure the House would like to hear from the gentleman some of the details as to the nature of his investigation and why this money is necessary.

Mr. McCORMACK. I am coming to that, but I was laying the foundation so that the House might understand some of the considerations of the committee. I also asked the other members of the committee to refrain from making public statements.

It is not conducive to the best interests of this committee and the House which appointed it to have members of the committee weighing the evidence, making statements indicating they were prejudging the facts, whatever they may be, if and when disclosed to or produced by the committee. Our purpose is to try to get the facts, not to listen to statements—not to listen to opinions, not to let people, no matter how earnestly they might entertain their views, appear before the committee and assail or make accusation against this or that person—not to bring people before the committee who might be only slightly involved, but to try to get underneath the surface, to get the facts as to the origin, if they existed, and if they did not exist to disclose that fact to the American public and so report to the House of Representatives. Having that in mind, to obtain evidence—not to listen to statements of opinion unsupported by evidence, even if such views were honestly entertained—we had to employ investigators. Those men are on the pay roll and are not receiving what the Government pays its investigators. We had to employ our counsel. We wanted a reputable man, a man who commanded the respect of all of the people of the United States, because naturally there are some racial groups of Americans who might feel, in their minds, that this investigation was directed toward them. As a matter of fact, there is no such state of mind existing on the part of any Member of the House. Naturally, the great element of Americans of German descent, that great class of citizens who comprise such an important part of our citizenry, might feel that this investigation is directed toward them; but, as a matter of fact, there is no justification for such a thought existing in their minds. It is only natural, however, that they might feel that way unless the committee, by its investigations and its own actions, convince them that it was confining itself, so far as the Nazi activity is concerned, to the source of the activities in this country emanating from abroad.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. DUNN. Who was instrumental in bringing about this investigation?

Mr. McCORMACK. The House of Representatives voted the resolution.

Mr. DUNN. But who was the one who introduced it?

Mr. McCORMACK. I am not going to yield for that question. The gentleman has his own opinion the same as I have mine.

Mr. CARPENTER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. CARPENTER of Nebraska. I might say that the German people, the ones that I have any contact with, are very resentful of this investigation, no matter what the gentleman and his committee might say.

Mr. McCORMACK. There is no justification for any real American of any blood resenting any investigation to obtain facts for the American people, and to obtain facts of subversive movements within our country emanating from abroad, and the gentleman ought to be ashamed of himself, as a Member of the House of Representatives, in undertaking to rise in this House and speak for the countless millions of Americans of German blood. I challenge the gentleman's statement.

Mr. CARPENTER of Nebraska rose.

Mr. McCORMACK. That is all. I do not yield any more.

Mr. CARPENTER of Nebraska. I do not give a damn what you say. The investigation will do nothing except to create and inflame racial prejudice and, in my judgment, is pure political propaganda.

Mr. McCORMACK. The gentleman does not interest me at all, and that is not the language to use in the House of Representatives, and not the language of a gentleman.

Mr. CARPENTER of Nebraska. If the gentleman from Massachusetts were a gentleman, he would yield to me. By his own actions he indicates that he is in the same category to which he assigns me.

The SPEAKER. The House will be in order.

Mr. McCORMACK. Mr. Speaker, to illustrate, 2 weeks ago we had an executive session in New York for the purpose of finding out whether certain information we obtained was correct, so that witnesses might not be called to a public hearing unless the evidence justified it, so as not to call people to public hearings because somebody said this or that, but to make a complete investigation. An attorney of German blood, a fine American and gentleman, and I had a few words, nothing serious or personal. That gentleman was at the public hearings the other day, the three public hearings we have held in Washington, and on the second day he came up to me and congratulated the committee upon its fairness and issued a public statement that this committee was eminently fair in its investigation; yet 10 days ago he questioned the motives of the committee. Afterward at the public hearings he made a public statement to the press, as I said, that the committee was conducting itself in an eminently fair and sincere manner.

I do not think there is any American in this country who loves our country, who still has a love for the land of his forbears, as he should, who stands for any movement or any efforts within this country by any foreign agencies, which efforts or movements might reasonably be subversive of our Government or our people. I cannot believe that any Americans of any racial descent entertain such thoughts. If so, they are not Americans.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. WARREN. Mr. Speaker, I yield the gentleman 3 minutes more.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield for a question?

Mr. McCORMACK. I am sorry as I have only a few minutes left, and I want to come to the question presented by my distinguished friend from Alabama.

We selected as our counsel a former United States Senator, a former Governor of Georgia, a great American. His career shows his tolerance by his votes and his actions. I

refer to Thomas W. Hardwick, a great American and a fine gentleman. He would see that any investigation is fair. He will protect the constitutional rights of any witness. He is guiding us. He is consulting with us. Every member of the committee joins with him in his desire to have an investigation which is eminently a fair American investigation to disclose facts for the benefit of our own people and of our Congress.

Mr. O'MALLEY. Will the gentleman yield?

Mr. McCORMACK. I am sorry, but I have only a minute left.

Now, what does it cost? We were allowed \$10,000 and we have expended to date a little over \$5,000. This investigation must go on during the summer months. We reasonably must spend about \$4,100 or \$4,200 on our investigators, our stenographers, our clerical force, and our counsel. We must continue during the summer. We want to investigate communistic activities, as to the source; not to listen to mere speeches or opinions, but to try to find out the source of the money, where the money comes from, the source of these activities in this country, if possible. We will also investigate other subversive organizations.

Already as the result of investigations the head of the Silver Shirts was indicted in North Carolina for violation of the State laws, and the evidence clearly discloses that the same man should be indicted for violation of Federal laws.

Seven months at \$4,100 is about \$28,000. That does not include witness fees. That does not include stenographic expenses outside of the District of Columbia. That does not include traveling expenses of the committee in executive or in public session.

When the committee holds public hearings, if they do, on the west coast, I, as chairman, will exercise whatever influence I have to not have the full committee go out there, but have the public hearings held by a subcommittee. And during the summer months, when hearings are held in the East, I do not want Members from the west coast coming East at the expense of the Government. A subcommittee can do it.

It is my firm conviction that we need \$40,000. Otherwise we will be somewhat cramped. However, if you give us \$20,000 or \$10,000 or \$5,000, or if you vote nothing, as chairman of the committee I will carry on the investigation until we have completely exhausted the funds which the House has given to us. [Applause.]

The SPEAKER. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. WARREN. Mr. Speaker, we have just heard a very fair and impassioned speech by the gentleman from Massachusetts [Mr. McCORMACK]. From the first time I ever knew the gentleman after he entered the House down to the present hour, he has been one of the dearest and closest friends I have ever had in this body. In my opinion, and I am certainly not passing the usual compliment, he is one of the very ablest men that has been in Congress for a long time, and he is a credit to his State, to his district, and to the Nation as an able legislator. He is the very soul of character, sincerity, and fineness. [Applause.]

The situation that I am now about to disclose, I absolve him of, because he knew nothing about it. He did not know at the time that certain assurances were given to the Committee on Accounts, that he would even be a member of this investigating committee. Now, the House passed the resolution authorizing the Nazi investigation, and, of course, it is up to the Committee on Accounts, and it is incumbent upon it, to furnish the funds to carry it on. After the passage of the resolution the sum of \$25,000 was asked for. We heard the proponents for several hours or more. Guarding the contingent fund, as we try to do, we reported out and the House passed the sum of \$10,000, and I am frank to say that we expected them to come back for more, but we wanted to know what their set-up was going to be and how they were going to use this money. I am sure that no member of the Committee on Accounts or, in fact, any Member of the House, ever had any idea that this would cost to exceed \$25,000.

Now, this is what has happened, and I think it is more or less an ugly situation. This is public business, and the House and the country is entitled to know how public funds are being expended. This is why so much money is needed:

They have put on a counsel at the sum of \$555.55 a month. I call your attention to the fact that in another body a great investigator, who many of us think has done a great job, Ferdinand Pecora, has only received throughout all of it the sum of \$300 a month. They told us when they first came before us they would probably need two or three investigators. They have today got 13 investigators on the pay roll, with more to follow when additional money is granted.

Mr. YOUNG. Will the gentleman yield?

Mr. WARREN. In just a moment.

Two investigators at the sum of \$250 a month and expenses; 8 investigators at the sum of \$225 a month and expenses; 2 investigators at \$165 a month and expenses; 2 stenographers at \$137.50 a month; 1 messenger at \$20 a week.

Now, here is something else: At the hearing the other day they told us they would probably need one or more associate counsel, and I find that an associate counsel has already been placed on the rolls, retroactive to May 21, at a salary of \$388.89 a month.

Here is something else: They have elected a secretary to this committee. They have selected a man who was carried on the rolls as janitor to the Committee on Immigration at \$90 a month, and made him secretary to this investigation committee at \$330 a month. [Laughter.]

Now, Mr. Speaker, that is the true picture and the present situation. The House is entitled to this information. I may say that the entire membership of the Committee on Accounts was present at the meeting last week and we more or less reluctantly reported out the resolution for \$20,000 additional to the \$10,000 we have already given them, believing that they could complete this investigation with a total sum of \$30,000 and wind up its work and stop.

In all of my experience in the House of Representatives this is the highest pay roll I have ever seen carried on by an investigation authorized by this body.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. O'MALLEY. When this resolution originally came up I opposed it as a useless waste of the taxpayers' money. I have never been able to figure out why, when an investigating committee needed a lot of investigators, they could not use investigators from the Department of Justice or the Secret Service, men who are already on the Government pay roll.

Mr. WARREN. I wish to be fair about this. This question has been asked before, and we have heard from Mr. Hoover, Chief of the Bureau of Investigation, on the subject. He has told us that they had neither the authority nor the men nor the money to conduct such investigations; and that is the fact.

Mr. O'MALLEY. Why could not the House in passing these resolutions authorize the Department of Justice investigators to make the investigations?

Mr. COX. Mr. Speaker, if the gentleman will permit, did not Mr. Hoover make the additional statement that if his Department were to undertake this investigation it would take \$100,000?

Mr. McCORMACK. He said that with \$100,000, were they directed to make the investigation, they could hardly scratch the surface.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. TRUAX. It is quite apparent from the disclosures made by the gentleman from North Carolina, Chairman of the Committee on Accounts, that this investigating committee should wind up its hearings. I do not think a single Member of the House doubts or questions any statement made by the gentleman from North Carolina. It is apparent that this money has gone to favor friends rather than to help the citizens of this country when they take a janitor at \$90 a month and make him secretary of the

committee, raising his salary to \$300 a month. I think that the House, instead of granting more funds to this committee, ought to abolish it. [Applause.]

Mr. WARREN. Another thing to which I wish to call the attention of the House is that in the legislative appropriation bill which passed the House a few weeks ago there was allotted for special investigations the sum of \$49,500. For use between the 1st of July this year and the 1st of January next year there has already been assigned out of that allotment the sum of \$44,000. This leaves us with \$5,000 for several investigations that are coming along, some of them very proper ones. So it will be necessary that still further appropriations be made by both branches of Congress.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. McCORMACK. Does the gentleman seriously question the judgment of the committee in the matter, outside of the clerk to which he particularly refers; does he question the judgment of the committee as to the necessity for the number of investigators, or does he question the judgment of the committee as to the reasonableness of the amount paid?

Mr. WARREN. Of course, Mr. Speaker, I cannot answer that question; but I do say that the Committee on Accounts was positively assured that it would not require over two or three investigators; yet the gentleman now comes in here with 13, and more to follow.

Mr. McCORMACK. But the gentleman does not hold me responsible for what others said, I hope.

Mr. WARREN. I absolved the gentleman from Massachusetts and said that when that statement was made the gentleman from Massachusetts was not even a member of the investigating committee.

Mr. McCORMACK. Mr. Speaker, I do not want to enter into any dispute with my friend from North Carolina; I want the facts only. With reference to counsel for the committee, may I say that while I have the greatest respect for Mr. Pecora, frankly, does the gentleman believe he is in the same category with the former Governor and former Senator, Mr. Hardwick? I refer not to ability of these gentlemen, as Mr. Pecora is outstanding in this respect, as is Senator Hardwick, but to the difference in their ages, and that Senator Hardwick has long since made his reputation. The committee is very fortunate in obtaining the services of Senator Hardwick, and I consider his compensation fair and reasonable.

Mr. WARREN. I think that the salary of \$555 a month is entirely out of line with the salaries paid attorneys just as prominent and just as distinguished as the former Senator from Georgia, for whom I have great respect.

Mr. McCORMACK. What would be the gentleman's opinion as to the amount the salary should be?

Mr. WARREN. Mr. Speaker, I cannot go into that question with the gentleman; that is up to his committee. I am just laying before the House the bare facts in this matter. I cannot take too much of the time for I promised to yield time to others; but may I say that the committee has brought in this resolution with an amendment fixing the amount at \$20,000. If you want this investigation wound up and closed up for \$30,000 in all, then you should vote for the committee amendment and pass the resolution.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. O'MALLEY. If we do not vote for the committee amendment, and if we do not pass the resolution, the committee will stop right where it is, will it not?

Mr. WARREN. Of course, the resolution must be passed by the House for the committee to continue.

Mr. O'MALLEY. I thank the gentleman.

Mr. WARREN. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. JENKINS of Ohio. Mr. Speaker, I, a member of the committee, would like to have 5 minutes.

Mr. McLEAN. Mr. Speaker, of course, it cannot be denied that when a resolution of this kind is passed there must

be some justification for it. If this were not so, an intelligent House of Representatives would not have authorized the investigation. But how much should be spent is another matter.

The gentleman from North Carolina [Mr. WARREN] has explained the situation so well and has set forth the details so completely that it is necessary for me to trespass but little upon the time of the House.

I proposed in the committee that an additional amount of \$5,000 be appropriated in order to enable the committee to finish its work, and at the appropriate time I propose to offer an amendment to the pending resolution reducing the amount to \$5,000. This will give the committee sufficient money with which to wind up its work.

An observation of 30 years in rather close contact with legislative affairs convinces me that very little ever comes out of a congressional investigation except caustic criticism and ironical comments against the Congress of the United States, and I am determined to prevent, so far as I am able, any further voluminous reports of investigations being added to the great number already gathering dust and taking up needed space in the basement of the Capitol.

I have read such testimony as has been taken and made available to me; I have followed very carefully the newspaper reports that have been published; and I am unable to find, Mr. Speaker, any indication that justifies further expenditure by the House in connection with this investigation.

Mr. CELLER. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from New York.

Mr. CELLER. So that the facts may be brought out accurately and properly, I understand, relative to the comparison of the compensation paid to Mr. Ferdinand Pecora and ex-Governor Hardwick, that the members of the Senate Banking and Currency Committee are considering the matter of a very substantial bonus to be paid to Mr. Pecora.

Mr. McLEAN. I do not care what the lawyers are worth. There is no need for a lawyer in connection with this committee. There are, to my knowledge, five Members of the House of Representatives serving on the committee who are lawyers, and I see no reason why they should have to ask for advice from special counsel or from associate counsel.

Mr. YOUNG. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from Ohio.

Mr. YOUNG. I think the gentleman is entirely correct in his statement; and in regard to the appropriation of an additional \$5,000, would it not be better, in the gentleman's judgment, if we let the matter rest just as it is and limit the expenditure of this committee to the \$10,000 previously appropriated?

Mr. McLEAN. That would be my wish and desire. But there must be some justification for this activity on the part of the House, otherwise the House would not have passed the resolution. It was the intention in the beginning, if this committee showed the House there was justification for the investigation and that it was going to accomplish anything commensurate with the amount of money spent, to give them additional funds. This has not been indicated up to this time, but there may be something which would justify a completion of the work and the committee has made commitments which the House must respect.

Mr. BUCHANAN. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from Texas.

Mr. BUCHANAN. May I call the attention of the gentleman to a question which was propounded by myself at the time this bill was before us previously for consideration:

Mr. BUCHANAN. I notice in this resolution the committee is authorized to sit and conduct hearings anywhere in the United States. There is no limitation on the expense. I have discussed that shortly with the author of the resolution, and he assured me it would not cost over \$25,000. Has the gentleman any objection to putting a limitation in the bill that it shall not exceed \$25,000 expense?

Mr. Cox. That is an important proposal. This investigation is important. I would think that a full and complete investigation might be had within the limitations of the expenditure of \$25,000.

Let us hold him to it.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, 2 years ago an attempt was made by certain members of the Immigration Committee to have an investigation made, and I opposed it on the floor of the House and was successful in my opposition. My opposition was in line with my usual position in opposing all junkets. This is another request emanating from that committee. While I was not at least in favor of it, I offered no opposition to it when it came up for consideration. Its purpose was to secure an allowance to carry on the work of what was to be known as a "committee to investigate un-American propaganda", including Nazi propaganda. The Republican floor leader appointed me to membership on this committee, and I am the ranking Republican member.

Speaking for the Republican membership, we want it distinctly understood that none of us have been before the Committee on Accounts asking anything in reference to this investigation. We have made no representation, and, so far as I know, none of us knew who would be on the committee or anything about the financial set-up for its operation. We have just gone along for a very distinguished member of the Democratic Party, the gentleman from Massachusetts [Mr. McCORMACK], has been selected as chairman of the committee. And as such chairman, it has been his responsibility to take the lead in all matters connected with the work. Personally, I have not been in attendance at the committee hearings but a very few times, and I know little of what has transpired in the hearings, but that will not absolve me in your mind, because you will hold that we should know something about these things. My only apology, if an apology is needed, is that I have too much to do. Most of you are in the same position.

May I tell you what the situation is? Here is the gentleman from Massachusetts [Mr. McCORMACK], asking for an additional amount of money, and from all indications he has done a good job. No one impugns his motives. He has stated his case, and he has made certain representations. What are you on the Democratic side going to do about the matter? The attorney which has been employed is a Democrat; his assistant is a Democrat, and every individual that has been employed in this investigation except one stenographer, has been put on by the Democratic membership.

Do you expect us on the Republican side to oppose this resolution for that reason? No! We may not be at least for these expensive investigations, but we do not want to make a partisan matter of it. Fun has been made of the janitor who was selected as a clerk or secretary. No one has risen in his defense. Mr. Randolph has been for years the secretary or clerk of the Immigration Committee. I do not know how he stands or how he is classified on the record with reference to the salary he receives, but I may say that he is a capable individual. In fact, he is one of the most efficient secretaries of any committee in this House, and so far as I know, he is a Democrat. I desire to rise in his defense. I do not want him to be referred to as a janitor or as an incompetent individual, because he is, on the other hand, a very fine, high-class individual.

What are you going to do about this investigation? Personally, I have never been in favor of it, but am I going to run out on the gentleman from Massachusetts [Mr. McCORMACK] in connection with this matter? I do not know what it is going to lead to. As I said before, I was never much in favor of it. Here is what I believe in doing. If the gentleman from Massachusetts [Mr. McCORMACK] comes before you and tells you he needs some money and makes a good case, we ought to give it to him. He is not going to insist on \$40,000. I think the gentleman from North Carolina [Mr. WARREN] and his committee have struck a balance, and I believe we on this side will stand for \$20,000, and that Mr. McCORMACK will be satisfied with that amount.

We do not want to uphold extravagance. Of course, I do not think we need 12 investigators, and I would not have favored employing that many. I do not think we need an

assistant counsel. If you will pass this resolution for \$20,000, the gentleman from Massachusetts [Mr. McCORMACK] I am sure will see to it that the money is spent in the most economical way, and in a way that will bring forth the finest results.

Mr. McCORMACK. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I say in connection with the assistant counsel that this was a matter of urgency in connection with the public hearings. He was employed temporarily, and the man had to be paid. There was a question of the assembling of a large amount of evidence, as the gentleman knows. The chief counsel, Mr. Hardwick, could not devote all his time to that, so we appointed an assistant counsel for the very specific purpose of assimilating the evidence in proper form for the Members to understand before and after the actual public hearings.

Mr. JENKINS of Ohio. There is nothing in connection with this investigation that needs to be made a laughing stock. So far there is nothing that anyone needs be ashamed of. The issue is, do we want an investigation like this? Do you want it? You have voted for it. If you want to have it carried out you should stand by your chairman to the extent of helping him reasonably. If you did not want Mr. McCORMACK to make an investigation you should have said so in the beginning. As I have heretofore stated, I have not been outspoken in favor of any investigation that tends to deal with prejudices between groups. The question now is, What are you going to do? Are you going to take a perfectly respectable Member of this House and hold him up to ridicule? I say no. I believe we should give him the \$20,000 and let him do the job in the very best way he can.

[Here the gavel fell.]

Mr. WARREN. I yield the gentleman 1 additional minute.

I do not understand that anyone is trying to hold the gentleman from Massachusetts [Mr. McCORMACK] up to ridicule or shame. There has been no such insinuation here. I stated in the very beginning of my remarks that when the matter was first presented to the Committee on Accounts, the gentleman from Massachusetts [Mr. McCORMACK] was not a member of the committee and had never been before us.

Mr. JENKINS of Ohio. The gentleman misunderstood me. I did not mean to criticize him at all, but the impression has been created that this is a sort of junket or a sort of useless thing, and, as I have stated, this may be true, but we should have considered in the first instance whether or not this investigation should be made at all, and now, since it is being made, we should do the right thing about it. Instead of voting \$40,000 addition let us vote \$20,000, which will enable Mr. McCORMACK to continue, and to cut his expenses to suit the appropriation.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, the members of the Committee on Accounts are servants of the House. The committee watches over and controls the contingent fund of the House from which expenses are paid to carry on investigations authorized by the House. Ever since I have been a member of the committee, some 8 years, I have found that the personnel of the committee consider the passage of a resolution providing for an investigation a mandate for the appropriation of expenses for the investigation. When the House does not name a specific sum it is our duty to try and decide how much money will be needed to reach the objective set out in the resolution. The resolution being debated was wide open. The committee is at liberty to enter any number of fields, and in my opinion it could prolong its investigation over a period of years if it so desired.

In this instance the original request called for an appropriation of \$25,000, and when the author of the resolution came before the committee and presented his case the members thought \$10,000 would be sufficient at the outset. Following the action of the committee, the Speaker named the

personnel of the committee, and the gentleman from Massachusetts [Mr. McCORMACK] is the chairman. That he has presided over the committee with dignity no one can question. That he is level-headed, anything but emotional, we all know. That he will continue to carry on as he has in the past every member of our committee is satisfied. Mr. McCORMACK appeared before the Committee on Accounts in support of the request for \$40,000 additional. This is just double the amount the original resolution provided for. The committee reduced this one half, and the resolution is before you for your decision.

I for one feel if the investigation shows that it would be futile to continue, Mr. McCORMACK will so decide, and not spend the money. Contrary to the general opinion, this committee is not confining itself to the Nazi propaganda. It has entered other fields.

The House having ordered the investigation, it is for the House to determine if it should be continued. We, the members of the Committee on Accounts, are simply carrying out your mandate.

The House has confidence in the gentleman from Massachusetts. He has already shown that he will not permit a witness to blacken the reputation of an individual or group of individuals, because at first appearance he requires testimony behind closed doors and will not permit witnesses to speak in public until he is convinced that they are competent to testify upon the subject. His job is not a pleasant one. The gentleman from Massachusetts says the committee needs money to complete the investigations it has started. The question now is for the House to decide whether additional money should be voted. The committee has performed its duty. Its recommendation is before you.

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, it is my observation that this investigation thus far has been conducted with great dignity and caution. I think the finest investment this Congress has ever made was the setting up of the Fish committee to conduct an investigation into a similar situation some 2 years ago. While there was no action taken on the recommendation of the Fish committee, Mr. Speaker, yet the investigation did bring to an end a character of propaganda that had been carried on in this country that looked to the overthrow of our Government.

The resolution setting up this special committee is in no wise hostile or intended as such to any nation of the world. It is simply expressive of the will of this Congress that the people of this country shall live under a government of their own making and will conduct their lives in their own way without promptings from the outside.

The Congress having authorized this investigation cannot turn back, and if, in the beginning, opinions were given upon the part of those active in bringing about the adoption of the resolution that were bad this is no reason why we should not now go all the way and give the committee all the support it needs, to the end that a thorough and a complete investigation may be made. It would have been better, Mr. Speaker, that no investigation whatever should have been entered upon if it is not to be a complete and thorough investigation.

This committee, under the chairmanship of the brilliant young son of Massachusetts [Mr. McCORMACK], is entitled to the confidence and the support of this House, and the chairman of the committee, in his statement to the House, has declared that the committee needs \$40,000 to complete its work; and the committee, holding the confidence of its fellows, is entitled to support at this time and I trust, Mr. Speaker, that the House will give the committee the \$40,000 for which it has asked. We may be certain that if the fund is not needed it will not be expended. Certainly reasonable economy will be practiced and if the set-up is too elaborate it will be reduced to the minimum.

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Speaker, as one of the minority members of this special committee, I want to take occasion to endorse all that the chairman of the committee,

the distinguished gentleman from Massachusetts [Mr. McCORMACK] has said. I am also in accord with the statement made by the gentleman from Ohio [Mr. JENKINS].

I think the evidence that has already been adduced before this committee has abundantly justified its existence and what has already been spent, but in order to carry out the plans and make this investigation a thorough one, I think \$40,000 will be a very small amount, indeed.

So far as the investigators and the other employees of the special committee are concerned, I may say that not one of them has been appointed upon my recommendation, but I have had some contact with them and I think all of them have performed good work, especially this man Randolph, whom some have sought to ridicule this morning. There is not a more efficient servant of any committee in the House than Mr. Randolph. He is a real, high-class, competent man, and instead of being ridiculed he is entitled to high commendation.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. YOUNG. It may be true that we owe the committee every consideration; but is it not a fact that we owe greater consideration to the taxpayers of this country, and if these 13 investigators, in order to make their jobs good, bring in some proof, then you will come before the next Congress asking another \$40,000?

Mr. TAYLOR of Tennessee. We are not only trying to protect the taxpayers, but we are trying to protect the American people against this subversive propaganda and activity, which is of the greatest importance. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STRONG].

Mr. STRONG of Texas. Mr. Speaker, as a member of the Committee on Accounts, when this resolution was brought before the committee all that was asked for was \$25,000, as has been stated. There were quite a few of the Committee on Accounts at that time who did not believe such an investigation should be made, but the Committee on Accounts allowed \$10,000 to start the investigation. It was then agreed between the Committee on Accounts and the introducer of the resolution if they made a showing with this \$10,000, when they came back to the Committee on Accounts the next time the committee would appropriate the balance of the \$25,000.

I say to you that the Committee on Accounts was astonished when they came back and asked for \$40,000 instead of \$15,000, which would have made the \$25,000 they asked for at first.

So the great respect the Committee on Accounts had for the originator of this resolution, the chairman of the investigating committee, and for the membership of that committee, the Committee on Accounts raised the \$15,000, the balance of which they asked for first, and granted them \$20,000.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. WEIDEMAN].

Mr. WEIDEMAN. Mr. Speaker, while I happen to be a member of the investigating committee, it was not from my choice. I was put on it without my request. I had no ax to grind. If this was a political matter, I want to say that I do not have 20 Jews in one precinct of my city, but I have 50,000 Germans and Americans of German descent.

Now, as to the work the committee is doing, I want to say that the chairman, the gentleman from Massachusetts [Mr. McCORMACK] is doing a fine piece of work. We are proposing to do what the mandate of Congress told us to do, that is, to investigate any and all subversive and un-American activities and to report back to Congress.

There are a lot of things that I would rather do this summer than go on this investigation—I will give up my place tomorrow to any Member who wants it. It is not a picnic, I assure you.

The House instructed this committee to investigate certain communistic activities, and those movements that try

to make people out of harmony with the ideas that we want to accomplish—to investigate organizations from foreign governments. Mr. Koebele, of New York City, the attorney of Gissibl, Walther, and the Friends of New Germany, a citizen of German extraction, has been satisfied with the conduct and fairness of your committee on behalf of the German-American citizens and societies, and has complimented your chairman and all the committee members on the way we are handling this matter. It would be worth it if it cost \$100,000, if we could assist one race to get along with another race, to live together in harmony, without bearing any malice toward each other. It is the American principle of justice and fair play that this committee would like to instill into the hearts and minds of some of our newly arrived brothers in America. The committee does not intend to do anything except see that its own decisions are free from prejudice and malice. If there are being developed in this country classes and political philosophies that are un-American we shall try to find that out if we can.

No one can claim credit for his nationality if they are proud of it, because birth is conceived without our assistance and beyond our control; some are born white, some brown, some yellow, and some black, the circumstances over which no individual could control. Our religion we inherit generally from our mothers, and seldom change it, preferring to remain of the faith into which we were born, in respect to our parents. After all, when our span of life is over, and the day of accounting comes, we all hope to arrive in the same heaven, though we take different courses in our journey through life.

It is immaterial to me whether or not this appropriation is made. If this House and the Speaker command us to carry on, we will. If the wish of the House is otherwise the committee will close its books and retire to their various homes and families, and live among their friends at home. We shall, if directed by you, carry on our duty faithfully and justly, and report, when directed, to Congress.

Mr. WARREN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Speaker, I do not think that we ought to be governed by the statements made about the \$25,000. At that time, when we were discussing the investigation, we figured on about the cost of \$25,000. But, gentlemen, since this investigation was started we have been reliably informed that there was a certain movement in this country where money was being brought in to support communism, and we were also advised since the adoption of the resolution authorizing this investigation that there is another well-organized body that is spreading propaganda, originating from another country, which also is subversive to our form of government. In other words, since the adoption of that resolution the committee has positively received and heard sworn testimony that there are other groups in this country that require checking in order that the full purposes of House Resolution 198 may be accomplished.

I do not know why you gentlemen are all alarmed about this small additional amount of money if the committee gets results. I challenge the whole House to read the record. I am willing to stand on the record of hundreds of pages of some of the most important revelations that have ever been made in this Republic. The committee revealed to you in public hearings only a few days ago that paid, organized propaganda running into hundreds of thousands of dollars was directed by the German Government; and I say that you ought to thank this committee and acknowledge that they are doing a good job, instead of attempting to belittle the committee by serious consideration of any amount less than the \$40,000 asked for by this committee in this resolution.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. In a moment. It is ridiculous to sit here in the House and listen to some of our colleagues, particularly the gentleman from Nebraska [Mr. CARPENTER], misrepresent the purposes of this investigation to their constituents as to its objects.

Mr. CARPENTER of Nebraska. It is just as obnoxious to me as it is to the gentleman.

Mr. DICKSTEIN. I will give the gentleman something that I want him to read. On March 20 he told this Congress that he represented 750,000 Germans in his district or in his State. That is the gentleman's language.

Mr. CARPENTER of Nebraska. And the gentleman also said that he had a letter of recommendation—

Mr. DICKSTEIN. Wait a minute. I call the gentleman's attention to this. I have no personal quarrel with the gentleman; I have the highest respect for him as a man; but, for God's sake, please, when you get on the floor be fair to me and to your colleagues.

On Tuesday, March 20, 1934, the gentleman, while expressing his opposition to the adoption of House Resolution 198, is recorded in the CONGRESSIONAL RECORD as having said—I quote:

I think I can radiate some of the sentiment of truly German people, because I come from a State that has 750,000 Germans. I think this investigation is an affront upon the dignity of the German people of my State and should not be passed—I represent the German people, and they are in entire sympathy and accord with the form of government that now prevails in Germany, and, as I understand it, it is a great improvement over what they did have—The only Germans I spoke for were the 750,000 in the State of Nebraska, not for your Germans.

Now, Mr. Speaker, I prepared a little table of facts taken from the official records of the United States Government census of 1930, and from that table I desire to call attention to the following interesting figures.

In the Fifth Congressional District of Nebraska, which my colleague represents in this Congress, there were found only 25,225 persons from under 1 year of age to over 75 years of age who were either born in Germany or born in the United States of parents either of whom were born in Germany.

In the whole State of Nebraska, which my colleague said had 750,000 Germans, there were found only 168,329 persons from under 1 year of age to over 75 years of age who were either born in Germany or born in the United States of parents either of whom were born in Germany.

The gentleman is recorded as having said on March 20, 1934:

I represent the German people, and they are in entire sympathy and accord with the form of government that now prevails in Germany.

Mr. Speaker, this is the Congress of the Representatives of the American people, and we should be concerned with the preservation of the form of government that our Constitution guarantees to the people of the United States in America, and that is the concern of this special committee as authorized by your vote here on March 20, 1934, when you adopted House Resolution 198.

Mr. BROWN of Kentucky. What has the population of the gentleman's State got to do with the \$40,000 that the committee wants?

Mr. DICKSTEIN. The gentleman made a statement that he represented 750,000 Germans, and my answer to him is that the American-German people have begged for this thorough housecleaning in this country, whether it is in his State or some other State.

Mr. CARPENTER of Nebraska. I challenge the gentleman's statement on that fact.

Mr. DICKSTEIN. Here is your record. The gentleman can have it, and here are some photostatic copies of it.

Mr. COX. Can the gentleman conceive of any patriotic American, whether of German or Russian origin, objecting to the American Congress conducting an investigation into matters subversive of the American Government?

Mr. DICKSTEIN. I thank my colleague for that question.

I answer no. I cannot conceive of any reason why any Member of this House, elected to represent a portion of the American people in this Congress, should represent his own constituents as objecting to a committee of this House trying to find facts relating to sources of direction, financial support, and dissemination here of destructive and subversive propaganda that seems to attack the principles of government upon which this United States was founded and has prospered for over 150 years.

The facts about these subversive activities directed and financed from abroad, which this special committee has been directed to find, cannot harm any American citizen, nor even any alien resident in the United States, who is attached to the principles of our Government.

Now, Mr. Speaker, some critical statements have been made against the action of this special committee whereby it appointed as committee secretary a man who had previously been carried on the pay roll of this House as janitor of the Committee on Immigration and Naturalization. Mr. Speaker, that action of the committee is correct, but the criticism is unjust.

My colleagues on the other side of the aisle who are members of this special committee, and who are, or have been, on the Committee on Immigration and Naturalization, the gentleman from Ohio and the gentlemen from Tennessee, have expressed commendation of the ability of Mr. Randolph.

I want to say that for a long time I have paid from my own pocket a considerable sum to Mr. Randolph, who has been the official janitor for the Committee on Immigration and Naturalization ever since I have been chairman of that committee. The official clerk of that committee has been unable to do all of the work required in connection with this very active committee, and to many of you Mr. Randolph has been known as the assistant clerk. I have arranged additional pay for him so that he might receive a total salary in keeping with his services, which have been invaluable to the Committee on Immigration and Naturalization for several years.

Mr. Randolph rendered unusual service last autumn during all the time a subcommittee of the Immigration and Naturalization Committee conducted the informal investigation of this un-American Nazi propaganda. His expert knowledge of procedure and of the thousands of communications in the files, together with his native ability, convinced me that no one was better fitted to fill the important position of clerk, or secretary, for this special committee, and I am glad to say that Mr. Randolph was elected to that position and given the salary he receives now by the unanimous vote of the entire membership of this special committee.

Knowing Mr. Randolph as I do, I feel this special committee has made no mistake in selecting him as committee secretary, and I know he will earn, and is worth to the committee, the salary paid him now. This office and salary is a worthy promotion given to a faithful public employee.

Criticism of the committee, for his selection and for the payment to him of the salary indicated in this debate, is absolutely unwarranted as an argument against the adoption of this resolution.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from New York has expired.

Mr. DICKSTEIN. Will the gentleman let me have half a minute more?

Mr. WARREN. I am sorry, but I have only 5 minutes more, and that has already been pledged.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. WARREN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I am a close personal friend of our distinguished colleague from Massachusetts [Mr. McCORMACK]. I have absolute confidence in him.

When this matter was first before us on this floor I called attention to the fact that the resolution would permit the employment of a lot of high-salaried unnecessary employees for the investigating committee, and that we ought to prevent that by limiting the expense. We were assured that, although the language permitted it, they would not be employed. Today our good friend, the Chairman of the Committee on Accounts, the gentleman from North Carolina [Mr. WARREN], than whom there is not a more valuable man in this Congress, has shown us that since we passed the resolution and gave them the first \$10,000, they have em-

ployed 1 lawyer at \$555 a month, another assistant lawyer at \$388 a month, 2 investigators at \$230 each per month, 8 more investigators at \$225 each per month, another investigator at \$165 per month, another one at \$145 a month, a secretary at \$330 a month, and a messenger at \$20 per week. There are too many high-salaried employees for one investigating committee of this House.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I have only a little time and I am sorry that I cannot yield. The gentleman knows the high regard I have for him. How long are we going to continue? The gentleman from Georgia [Mr. Cox] offered an amendment to limit the expense to \$25,000 as a maximum, but the gentleman from New Jersey [Mr. LEHLBACH] defeated it by a point of order.

There are seven of the most distinguished lawyers in the Nation on this investigating committee. Where will you find a more distinguished lawyer than our splendid colleague from Massachusetts, JOHN W. McCORMACK, one of the high-class lawyers of the Nation, and he has six big lawyers on the committee with him. Why do they not conduct the legal side of that investigation for this Congress?

Oh, I remember, away back yonder when I was a youngster in this House, when I began to investigate the fraud and corruption connected with the guardianship of the insane and shell-shocked veterans in some insane hospitals, I had to file impeachment charges against one of the Commissioners of the District of Columbia, Col. Frederick A. Fenning. I remember that when I began that investigation the newspapers said my charges ought to be thrown into the wastebasket, and that I ought to be put out of Congress, and I was attacked from both sides of the aisle by those partisan friends who were upholding Commissioner Fenning. I conducted that investigation myself without any help from Congress, first before the Gibson committee, and later before the Judiciary Committee. When I finally had to file impeachment charges against Colonel Fenning I conducted the prosecution of Mr. Fenning myself without a bit of help before the Committee on the Judiciary for days and days. I brought witnesses from Texas, from Massachusetts, from Boston, where Mr. McCORMACK lives; I brought them from New York, from Kentucky, from Virginia and Maryland, and other States, questioned them myself, and produced their testimony before the committee, and I forced that infamous scoundrel to resign and make restitution to the shell-shocked soldiers.

In said investigations, Col. Frederick A. Fenning had present as his counsel representing him and trying in every possible way to block my evidence against him, the renowned criminal lawyer here, Frank J. Hogan, who received, it was reputed, a fee of a million dollars for defending Doheny, Sinclair, and Secretary Fall, and also two other skillful lawyers here, Levi Cooke and Thomas B. Littlepage. I did not hesitate to carry on such investigations. I gave over 3 months of my time to it. I did some of the hardest work of my whole life. I spent several thousand dollars of my own money. I employed my own detectives. I paid the expenses of witnesses out of my own pocket. Not one dollar did Congress give me to employ investigators. Not one dollar did this Congress give me to employ counsel. Not one dollar did this Congress give me to pay the expenses of witnesses. I had to do all that myself and to pay all of the expenses out of my own pocket.

It does occur to me that when we have seven able and well-qualified lawyers from this Congress on this investigating committee, they could furnish the necessary legal work themselves to carry on this investigation. They already have quite a good-sized sum of money on hand unspent that has been appropriated for them.

They have \$5,800 left in cash, have they not, Mr. Chairman? Yes; it is admitted they still have \$5,800 left in cash. I want to say that JOHN McCORMACK can take that money and with his splendid shrewdness and ability as a lawyer, with the help of his six colleagues, who are lawyers,

and their splendid ability, give you an investigation that will bring out all the facts in connection with this Nazi propaganda. I know he will do it. I am in favor of cutting him down to this \$10,000 already appropriated. I am in favor of not voting another cent. They will do the work. JOHN McCORMACK will perform his duty and fill this position with dignity and credit and honor to the House and to himself and to the State of Massachusetts and to the Nation.

The SPEAKER. The time of the gentleman from Texas has expired. All time has expired.

Mr. WARREN. Mr. Speaker, I move the previous question on the resolution and the amendment.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the adoption of the resolution, as amended.

The question was taken; and on a division (demanded by Mr. YOUNG) there were—ayes 170, noes 37.

Mr. YOUNG. Mr. Speaker, I object to the vote on the ground that there is not a quorum present.

Mr. BLANTON. And make the point of order that there is not a quorum present.

Mr. YOUNG. And make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-seven Members are present, a quorum.

Mr. BLANTON. Mr. Speaker, I ask for tellers.

The SPEAKER. As many in favor of taking this vote by tellers will rise and remain standing until counted.

Mr. BLANTON. Pending that, Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. Eleven Members have arisen; not a sufficient number. Tellers are refused.

Mr. BLANTON. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. As many in favor of taking this vote by the yeas and nays will stand and remain standing until counted. [After counting.] Fifteen Members have arisen; not a sufficient number.

The yeas and nays were refused.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

PHILIPPINE CURRENCY ON DEPOSIT IN THE UNITED STATES

Mr. McDUFFIE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9459) relating to Philippine currency reserves on deposit in the United States.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed, when the funds therefor are made available, to establish on the books of the Treasury a credit in favor of the treasurer of the Philippine Islands for \$23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the Government of the Philippine Islands for its gold standard fund and its treasury certificate fund less the interest received by it on such balances.

Sec. 2. There is hereby authorized to be appropriated out of the receipts covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on January 31, 1934, the amount necessary to establish the credit provided for in section 1 of this act.

The SPEAKER. Is a second demanded?

Mr. McFADDEN. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McFADDEN. I am opposed to the bill; yes, sir.

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McDUFFIE. Mr. Speaker, this legislation is recommended by the President of the United States and approved by two Cabinet members, the Secretary of the Treasury,

the Secretary of War, also the Director of the Budget, the Chief of the Bureau of Insular Affairs, and the Governor General of the Philippine Islands. I submit the letters from the President and others:

THE WHITE HOUSE,
Washington, May 7, 1934.

HON. ROBERT L. DOUGHTON,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D.C.

DEAR MR. DOUGHTON: With the approval of the United States, the government of the Philippine Islands has for many years maintained in banks in this country the major portion of the currency reserves of its monetary system, and has always considered these deposits the equivalent of a gold reserve.

The effect of my proclamation of January 31, 1934, was not only to reduce, in terms of gold, the value of these currency reserves, but indirectly to devalue, in terms of gold, the entire currency circulation of the Philippine Islands. The United States enjoyed an increase in the value of its currency reserves corresponding to the decrease in the value of the dollar.

As the Philippine currency is interlocked with the United States gold dollar under laws enacted by the United States Congress, it would be equitable to reestablish the Philippine currency reserves on deposit in the United States at their former gold value as of January 31, 1934.

I am advised that H.R. 9459, now under consideration before your committee, is designed to accomplish this purpose.

I recommend its enactment.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

WAR DEPARTMENT,
Washington, May 4, 1934.

HON. ROBERT L. DOUGHTON,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D.C.

DEAR MR. DOUGHTON: I am writing to your committee to request favorable consideration of H.R. 9459, which was introduced in the House at the request of this Department.

The purpose of this bill is to credit the Philippine government with the profits, due to the reduction of the weight of the gold dollar, on its currency reserves deposited in the United States at the opening of business on January 31, 1934, and authorizing the appropriation of funds for this purpose.

The draft of this bill was prepared in consultation by officials of the Treasury Department and of this Department, and has received the approval of the Secretary of the Treasury and of the Governor General of the Philippine Islands.

At the suggestion of the War Department the major portion of the currency reserves of the Philippine monetary system has been maintained in the form of United States currency deposits in banks in the continental United States. The Philippine government has always considered these deposits as the equivalent of a gold reserve.

The proclamation of the President issued on January 31, 1934, reduced the gold content of the dollar. The effect of this proclamation was not only to reduce, in terms of gold, the value of the Philippine currency reserve funds, but indirectly to devalue, in terms of gold, the entire currency circulation of the Philippine Islands. The United States, on the other hand, enjoyed an increase in the value of its currency reserves corresponding to the decrease in the value of the dollar. As the Philippine currency is interlocked with the United States gold dollar under laws enacted by the United States Congress, it is equitable that any change in the dollar which produces a profit on the currency reserves of the general government should produce a corresponding profit on the currency reserves of this dependency.

The reestablishment of its currency reserves as of their former gold value of January 31, 1934, would be of great advantage to the Philippine government in their affairs at the present time. It is hoped that an appropriation providing for this purpose can also be secured at the present session of Congress.

I am enclosing copy of a letter from the Director of the Bureau of the Budget in which he advised me that the expenditure contemplated by the proposed bill would not be in conflict with the financial program of the President.

There is also enclosed for your information a copy of a memorandum prepared in the Bureau of Insular Affairs, which sets forth in detail the necessity for this legislation. Should you desire further information regarding this matter it is suggested that you call upon Brig. Gen. Creed F. Cox, Chief of the Bureau of Insular Affairs of this Department.

I urgently recommend the early enactment of H.R. 9459.

Sincerely yours,

GEO. H. DERN, Secretary of War.

WAR DEPARTMENT,
Washington, May 2, 1934.

HON. JOHN McDUFFIE,
Chairman Committee on Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. McDUFFIE: I am transmitting herewith a draft of a bill to authorize the Secretary of the Treasury to credit the Philippine government with the profits, due to the reduction of the weight of the gold dollar, on its currency reserves deposited in the United States at the opening of business on January 31, 1934, and appropriating funds for this purpose.

This bill has been prepared in consultation with officials of the Treasury Department and of this Department, and has the approval of the Secretary of the Treasury and of the Governor General of the Philippine Islands. It is understood that the President has also indicated his approval of this legislation.

I am also enclosing for your information a copy of a memorandum prepared in the Bureau of Insular Affairs, which sets forth in detail the necessity for this legislation. Should you desire further information regarding this matter, it is suggested that you call upon Brig. Gen. Creed F. Fox, Chief of the Bureau of Insular Affairs of this Department.

I urgently recommend that the bill herewith be introduced in the Congress with a view to securing its enactment during the present session.

A similar letter enclosing a draft of this bill has been sent to the Chairman of the Committee on Territories and Insular Affairs of the Senate.

Sincerely yours,

GEO. H. DERN, Secretary of War.

TREASURY DEPARTMENT,
Washington, May 10, 1934.

HON. JOHN McDUFFIE,
Chairman Committee on Insular Affairs,
House of Representatives, Washington, D.C.

MY DEAR MR. CHAIRMAN: At the request of the War Department, I am pleased to advise you that the bill H.R. 9459 provided as follows:

"Be it enacted, etc., That the Secretary of the Treasury is authorized and directed [when the funds therefor are made available] to establish on the books of the Treasury a credit in favor of the treasurer of the Philippine Islands for \$23,862,750.78, being an amount equal to the increase in value [resulting from the reduction of the weight of the gold dollar] of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold-standard fund and its treasury-certificate fund less the interest received by it on such balances.

"Sec. 2. There is hereby authorized to be appropriated out of the receipts covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on January 31, 1934, the amount necessary to establish the credit provided [for] in section 1 of this act,"—

which, I understand, has been recommended by the War Department, in view of the circumstances surrounding the deposits in the continental United States of the currency reserves of the Philippine Islands, a dependency of the United States, in principle meets with the approval of the Treasury Department.

I should, however, favor amendments inserting into the bill the phrases set out in brackets which, I understand, are contained in S. 3530, and meet with the approval of the War Department.

Respectfully,

H. MORGENTHAU,
Secretary of the Treasury.

BUREAU OF THE BUDGET,
Washington, May 3, 1934.

THE SECRETARY OF WAR.

MY DEAR MR. SECRETARY: Reference is made to your letter of April 25, concerning the proposed bill relative to Philippine currency reserves deposited in the United States, and to the informal submission by your Bureau of Insular Affairs on April 30 of a draft of a new bill (being a redraft of sec. 2 of a bill submitted to the President on Mar. 23) reading as follows:

"A bill relating to Philippine currency reserves on deposit in the United States

"Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to establish on the books of the Treasury a credit in favor of the treasurer of the Philippine Islands for \$23,862,750.78, being an amount equal to the increase in value [resulting from the reduction of the weight of the gold dollar] of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold-standard fund and its treasury-certificate fund less the interest received by it on such balances. There is hereby appropriated, out of the receipts to be covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on January 31, 1934, an amount necessary to establish such credit."

In reply you are informed that the expenditures contemplated by the proposed bill would not be in conflict with the financial program of the President.

Very truly yours,

L. W. DOUGLAS, Director.

The necessity for this legislation grows out of the proclamation of the President of January 31, 1934, the result of which obviously was the broadening of the base of our currency reserves. We revalued the gold dollar and credited ourselves on our books with approximately \$2,800,000,000,

the difference in the value of gold prior to and after the proclamation of the President.

This bill, of course, deals with the currency reserve funds of a dependent people, a people who have necessarily done everything, not only with reference to their currency and financial affairs but with reference to everything else which goes to make up the life of the Filipino, suggested by those in authority in the United States. The result of the President's proclamation, January 31, 1934, by reason of the fact that the Philippine currency reserve fund, on which their circulation is based, was deposited in dollars but not in actual gold, was a contraction of that fund. I hope I have made that clear. While the proclamation of the President expanded the reserves of our Government, the insular currency reserve fund, being deposited in the United States in dollars, although treated by both governments as of a gold value, has been contracted by the proclamation. It throws out of balance the relative position of their currency and ours. The Philippine currency was fixed by the action of this Congress in 1903. I submit here the language of that act, which gave a value based on the gold dollar to the peso—2 pesos to \$1:

Be it enacted, etc., That the unit of value in the Philippine Islands shall be the gold peso, consisting of 12.9 grains of gold, nine-tenths fine, said gold peso to become the unit of value when the government of the Philippine Islands shall have coined and ready for or in circulation not less than 5,000,000 of the silver pesos hereinafter provided for in this act, and the gold coins of the United States at the rate of \$1 for 2 pesos hereinafter authorized to be coined shall be legal tender for all debts, public and private, in the Philippine Islands.

Therefore, their currency is different from ours but interlocked with it by law. If we were to give them credit to the same relative extent that we took on our own books in our Treasury, the amount would be \$39,000,000 plus instead of \$23,000,000 plus, but those in authority here, the experts in the Treasury Department, the Secretary of War, the Bureau of Insular Affairs, and all who have studied this problem and discussed it with the President, arrived at the conclusion that it was equitable to deduct the interest which the reserve funds have drawn since 1923, amounting to some \$15,000,000, from the \$39,000,000, leaving the balance of approximately \$23,000,000. To be exact in the figures, on January 31, 1934, the insular government had on deposit in our banks, designated as depositories by the Secretary of War, \$56,276,056.92. Applying the same revaluation as given our gold dollar by the President, this fund would amount to \$95,282,398.87, or an increase, had those deposits been in gold, of \$39,006,341.95. We do not propose the full credit here but have deducted the interest received by the insular government since 1923 on their reserve funds, amounting to \$15,143,591.17. The insular government had a right to ask that their reserve fund be translated into gold, and they began to urge this soon after the depression came upon us and from time to time thereafter.

During the fall of 1932 the government of the Philippine Islands made representations to this Government with a view of including specific stipulation in the depository agreements that withdrawal of their currency reserve funds should be in gold coin of the United States at the election of the Philippine government. The Secretary of War, through the Bureau of Insular Affairs, acting for this Government, stated that he did not "deem as expedient the amendment of the depository agreement as suggested by the Philippine government."

I also call your attention to the fact that as late as March 1933, 10 months prior to the President's proclamation, other representations were made on the part of the Philippine government seeking the assurance that deposits of the Philippine government in the United States stand on an equal basis with the deposits of the United States Government and recommended that all deposits of the insular government, except \$10,000,000 required for ordinary expenses, be deposited in the Treasury of the United States. Under conditions obtaining in this country in 1932 and 1933, the officials of our Government deemed it inadvisable to accede to any of these requests, although the dependent govern-

ment had every right to make these requests and to expect them to be granted.

Again on June 29, 1933, the Governor General of the Philippine Islands officially requested that—

Our gold standard and Treasury certificate funds be converted into gold coin of the standard existing at the time these deposits were made with the depository banks; this coin to be deposited in the United States Treasury or Federal Reserve banks and authority of the President secured to earmark it for their account by amending the Executive order of April 5, 1933 (which was the first order of the President restricting the circulation of gold). There will be, however, no necessity for withdrawing the above-mentioned deposits from the present depository banks at this time if it is possible to obtain Government assurance that conversion into gold of the standard existing, as above outlined, may be made at a later date.

From time to time between June 29, 1933, and January 17, 1934, numerous cables were sent by the Governor General of the Philippine Islands expressing concern and stressing the necessity for assuring the gold content of the Philippine reserves on deposit in the United States. Likewise a letter on January 16, 1934, from the acting secretary of finance of the Philippine Islands was sent to the Secretary of War again expressing the desire of the Philippine government that their deposits be treated by the United States Treasury as deposits of coined gold. This request was in turn sent to the Secretary of the Treasury by the Secretary of War on January 17, 1934.

On January 17, 1934, 2 weeks prior to the Presidential proclamation, the following cable was sent by Governor General Murphy to the Secretary of War:

Referring to telegram from this office June 29, no. 212, in particular, as well as other previous cables pertaining to Philippine currency. Have you further information relative to earmarking in gold Treasury certificates funds and the gold-standard fund? Believe allotment of gold to these funds on the basis of present gold content is but fair to Philippines, thus granting Philippine government same advantage as United States in reduction of content of gold dollars backing gold-standard fund and Treasury-certificate fund. Am exceedingly anxious to receive definite decision.

At any time, following these representations, prior to January 31, 1934, the Treasury Department could have lawfully sold to the Philippine government gold in the amount of their currency reserves on deposit in the United States at the old value of \$20.67 an ounce, or could have authorized the earmarking of gold to be paid for by the Philippine government with the funds on deposit in the United States. This, however, was not done, although the insular government from time to time has been given assurance by our officials that their interests would be equitably adjusted.

Our Government, not having acceded to these suggestions and requests, is certainly morally obligated to expand the base of the currency reserves of the dependent government and to do so without further delay in order to avoid further possible domestic and international financial complications.

Mr. LEHLBACH. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. LEHLBACH. Wherein are the Philippines in a different position than the citizen holding gold bonds?

Mr. McDUFFIE. The Philippines have a different currency from ours, though it is interlocked with ours by law.

Mr. LEHLBACH. The Filipinos suffered from the deflation of the dollar just as every holder of a gold bond, even issues of the United States, suffered. Why make the American citizens take a loss when the Filipinos are to be allowed to take a profit?

Mr. McDUFFIE. I do not think the gentleman's position is correct. We are not taking a loss; we are dividing our gain. Our Government has taken a profit on its gold. We wish to give these people a new value of their reserve fund which was treated as gold but was in dollars. We could have sold them gold and this bill would not have been presented.

Mr. BEEDY. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. BEEDY. The answer is that we are not dealing with individuals. This bill deals with the Philippine government which is entitled to the same rate of profit as the United States.

Mr. McDUFFIE. The gentleman from Maine [Mr. BEEDY], a very able and fair legislator, has given thought and study to this problem and while he does not agree with the policy of this administration as to our gold standard, he does agree that this legislation is needed from a standpoint of equity and good conscience. Of course this Government is not bound technically to pass this bill, but we are, as a matter of fair dealing with a dependent government by a superior one, in conscience bound to do so. What will the great nations of the world say of a powerful nation that denies this simple justice? Mr. WELCH, the gentleman from California, a member of the committee, who likewise understands this problem, also gave his approval to this bill. This bill is one that must appeal to the conscience and sense of fair play of the Congress.

Mr. McDUFFIE. Mr. Speaker, I yield 3 minutes to the Resident Commissioner from the Philippine Islands [Mr. GUEVARA].

Mr. GUEVARA. Mr. Speaker, after the brilliant presentation made by the Chairman of the Committee on Insular Affairs, the distinguished gentleman from Alabama [Mr. McDUFFIE], of the bill under consideration, and after the cogent and lucid report on this bill, further explanation is superfluous. I wish, nevertheless, to say a few words.

I believe that as a matter of justice and equity the Philippine government should be credited with the amount recommended in the bill now under consideration because, by virtue of the proclamation of the President of the United States on January 31, 1934, the United States Government made a profit of \$2,700,000,000, but included in this profit is the \$23,000,000 which represents the share of the Philippine government for its money deposited in the United States banks.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. GUEVARA. I yield.

Mr. DONDERO. All we are doing by this bill is to give the Philippine government their proportionate credit growing out of the devaluation of the gold dollar by the United States Government.

Mr. GUEVARA. Exactly.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield further?

Mr. GUEVARA. I yield.

Mr. PETTENGILL. And would it be fair to say that the credit to be allowed to the Philippine Islands in this bill is a credit growing out of the currency operations of the United States Government?

Mr. GUEVARA. Yes.

Mr. PETTENGILL. But this transaction does not involve any transfer of gold?

Mr. GUEVARA. Not at all. The position of the President of the United States and of the Committee on Insular Affairs is just to give the Philippine government its fair share of the profit derived by the Government of the United States when it devalued its gold dollar.

ADJUSTMENT OF THE PHILIPPINE CURRENCY RESERVES

Mr. Speaker, H.R. 9459, introduced by Representative McDUFFIE, Chairman of the Committee on Insular Affairs, and recommended favorably by a majority of that committee, deals with the currency reserves of the Philippines. I join in urging its approval.

The bill authorizes and directs the Secretary of the Treasury to credit the treasurer of the Philippines in the sum of \$23,862,750.78, representing the net profit on the deposits of the Philippine government in banks in continental United States, aggregating \$56,276,056.92, as the result of the President's proclamation reducing the gold content of the dollar.

The pertinent facts bearing on the present subject are as follows:

By the act of Congress of March 14, 1900, the weight of the gold dollar was fixed at 25.8 grains, 0.9 fine.

On January 31, 1934, pursuant to the Gold Reserve Act of January 30, 1934, the President, by proclamation, reduced the gold content of the dollar to $15\frac{5}{16}$ grains, 0.9 fine, a reduction of 59.06 plus percent.

Under the Gold Reserve Act aforementioned title to all monetary gold in the United States, including the gold coin and gold bullion heretofore held by the Federal Reserve banks and the claim upon gold in the Treasury represented by gold certificates, is vested in the United States Government.

By virtue of this, as a result of the reduction of the gold content of the dollar a profit of approximately \$2,811,013,126 accrued to the United States Treasury upon the signing of the proclamation by the President at 3:10 in the afternoon of January 31, 1934.

Pursuant to the Gold Reserve Act and the President's proclamation, \$2,000,000,000 of the profit was constituted into a stabilization fund under the control of the Secretary of the Treasury and the balance was authorized to be covered into the general fund of the Treasury.

The foregoing is by way of a background. The material facts as to the Philippines are as follows:

The Philippine monetary system was established by the act of Congress of March 2, 1903. It made the gold peso the unit of value, containing 12.9 grains, 0.9 fine, or exactly one-half of the gold content of the dollar prior to its devaluation.

By authority of the above-mentioned act, the Philippine Commission on October 10, 1903, approved Act. No. 933, placing the Philippine monetary system on the gold-exchange standard and providing that a part of the then gold-standard fund be deposited in banks in continental United States.

On June 13, 1922, by virtue of the act of Congress of August 29, 1916, known as the "Jones law", the Philippine Legislature enacted Act No. 3058, reconstituting the Philippine currency reserves with the establishment of the gold-standard fund and the Treasury certificate fund.

The reconstituted currency reserve fund, made up of those two funds, was inaugurated on January 2, 1923.

Upon the suggestion and direction of the Secretary of War, the major portion of the currency-reserve fund was deposited in banks in the United States which were members of the Federal Reserve System. The deposits have always been considered and taken as the equivalent of a gold reserve.

Prior to the President's proclamation, if the request of the Philippine government had been granted, the Treasury could have sold to that government gold at \$20.67 per fine troy ounce as against the rate of \$35 as thereafter fixed, or it could have earmarked gold coin for its account of the standard then existing to the amount of the currency-reserve deposits. Were either alternative done, the Philippine government would automatically have received proportional increment on its deposits as a consequence of the dollar devaluation.

As neither alternative was effectuated by decision of the competent departments of the United States Government, the base of the Philippine currency system was contracted to the extent of the consequent reduction in value of the currency reserves. This not only represents a loss in those reserves, but also diminished the equivalent metallic support of the Philippine monetary circulation.

On January 31, 1934, the day of the President's proclamation, the Philippine currency reserves on deposit in some 45 banks in continental United States designated by the Secretary of War amounted to \$56,276,056.92. Of this sum, \$19,112,253.42 pertained to the gold-standard fund and \$37,163,803.50 to the Treasury certificate fund.

As computed by the United States Treasury Department, the profit which accrued to the Philippine government on these deposits as the result of the dollar devaluation amounted to \$39,006,341.95. This figure was arrived at by considering the sum of \$56,276,056.92 as the gold bullion value of said deposits and then converting it into currency at the new dollar value, thus producing the aggregate sum of \$95,276,056.92.

But the net profit which the Treasury Department recommends crediting to the Philippine Treasury, in which the War Department concurs, is the sum of \$23,862,750.78, the

sum sought to be authorized in H.R. 9459 under consideration.

This amount is the increment of \$39,006,341.95, mentioned above, minus \$15,143,591.17, representing the sum total of the interest earned by the currency reserve deposits during the period from January 2, 1923, to January 30, 1934. It is pointed out that the interest would not have accrued if the currency reserves had been maintained in metal.

In the light of the foregoing exposition of facts, it seems only just and proper that the Philippine government be placed in funds to have its currency reserves on an exactly the same relative position after the dollar devaluation as prior to it, thereby maintaining and preserving its base from contraction.

The Philippine peso, being interlocked and interrelated with the American dollar on the basis of 2 to 1 in intrinsic content by virtue of an act of Congress, goes up and down with the American dollar in its fundamental fluctuations.

I wish to mention two cases as examples where the Philippine government is actually footing appreciable losses by reason of the dollar devaluation, which also show the sympathetic movement of the peso with the dollar and its consequent advantages and disadvantages as the case may be.

Section 6 of the Philippine Tariff Act of 1909, which is still in force and effect, provides that the rates of duty while stated in American money in the act shall be payable in Philippine currency on the basis of the liquidated value. The provision sets forth a schedule of foreign moneys and their equivalent in dollar and peso. By reason of the devaluation of the dollar it is estimated that the Philippine government will suffer an annual loss of around \$3,250,000.

The other case relates to the bonds of the Manila Railroad Co., a Philippine government enterprise. These bonds are payable at the option of the bondholder either in Swiss francs, English pounds, Holland florins, or other designated foreign money at the rate of exchange existing in 1909. Some of the bonds have already matured, and their redemption is being made and losses are being incurred by reason of the depreciated position of the American dollar in the international exchanges. If the entire bond issues were to mature during the life of the Presidential proclamation, the Philippine government would have to pay approximately an additional \$10,000,000, representing the dollar exchange depreciation.

Mr. Speaker, I hope that this session of Congress will see the approval of H.R. 9459. It is urgent to forestall economic complications and to prevent financial debilitation in the Philippines. President Roosevelt recommends its enactment. The Secretary of the Treasury approves it. The Secretary of War urges its passage. And the Budget Director declares that it is not in conflict with the President's financial program.

In concluding, I wish to express my grateful appreciation to the Committee on Insular Affairs for its favorable recommendation of the bill, and I want particularly to mention the untiring and unselfish efforts of Chairman McDuffie and the very cogent and lucid report that he wrote. I desire also to say that our Governor General, Frank Murphy; the Acting Secretary of Finance, Mr. V. Singson Encarnacion; and the Chief of the Bureau of Insular Affairs, Brig. Gen. Creed F. Cox, deserve the grateful acknowledgment of the Filipino people for their work in connection with the question under consideration. [Applause.]

Mr. Speaker, I ask unanimous consent to insert in the RECORD in an extension of remarks a memorandum prepared by Mr. Encarnacion, acting secretary of finance, secretary of agriculture and commerce, and other letters bearing on this subject.

The SPEAKER pro tempore. Is there objection to the request of the Resident Commissioner from the Philippine Islands?

There was no objection.

Mr. GUEVARA. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following memorandum of Hon. V. Singson Encarnacion, acting secretary of finance, secretary of agriculture and commerce:

THE ISSUE

On April 5, 1933, the Philippine government had on deposit in the United States in depositaries of the Philippine government for the normal uses of the government approximately \$8,000,000. In addition the Philippine government had on deposit in branches of the Philippine treasury in the United States approximately \$52,000,000. These latter funds were the treasury-certificate fund and the gold-standard fund for the special purposes of the Philippine currency system. The gold-standard fund was in excess of the maximum legal requirement for that fund, containing about \$9,000,000 which, though not legally earmarked, it was hoped to use in payment of indebtedness of the government.

The Philippine government's position is that the funds in the branches of the Philippine treasury in the United States should be made available to it in gold coin of the United States.

THE EQUITIES

The Philippine government has been referred to by American Presidents and American leaders as a "ward" of the United States. In nothing has this relationship been more clear and more continuous than in the handling of its public funds.

Illustrating this, the Philippine government is not permitted to borrow money except as authorized by Congress, which has at times indicated the specific purpose and the specific amount which might be borrowed, and has always prescribed a limit which could not be exceeded.

Prior to the passage of the Organic Law of 1916, Congress had drawn the currency laws of the Philippine Islands, authorizing the Philippine government to take certain action within the terms of such laws. Since 1916 the Philippine government has been authorized to legislate in this field, but with the provisions "nor shall any act of the Philippine Legislature affecting the currency or coinage laws of the Philippines become a law until it has been approved by the President of the United States."

The Philippine government has been encouraged by congressional legislation to borrow money, when necessary and authorized, in the United States, which required, in turn, that the obligation should be paid in the United States. It has been encouraged by tariff legislation to make its purchases in the United States, which, in turn, necessitated the maintenance of balances in the United States.

Since the enactment of the Federal Reserve Act in 1913 it has been required to maintain its deposit in the United States in banks of the Federal Reserve System.

As a result of the foregoing and as a consequence of acts of Congress, the Philippine government has normally kept in the United States funds for the purchase of supplies, funds to meet the interest and principal on its debts, and funds required to be so kept under the laws governing the Philippine currency.

The foregoing are not enumerated by way of complaint. There is no proper complaint. The system has been advantageous to the Philippine government and to the Philippine people. But they are enumerated to make clear that the Philippine government in equity should participate in any profit that accrues to the United States Government as a result of a change in its currency which changes *pari passu* the Philippine currency.

Not only will the currency system of the Philippine Islands be affected by the changes that have taken place in the relationship of United States legal-tender money to the gold standard but also obligations of the Philippine government which are in part at least held abroad calling for payment in foreign currency at a rate of exchange fixed with reference to the old gold value of the United States dollar to the currency in question.

For example, the Philippine government owns the Manila Railroad Co. Thirty million pesos of bonds of this company will mature in 1939 and the Philippine government is under obligation to redeem these bonds at the option of the holder in Swiss francs, English pounds, or Holland florins, etc., at the rate of exchange existing in 1909.

Briefly, this would mean that the Philippine deposits in the United States should be made good to the Philippine government in United States gold as of the date when change in the United States currency is made effective.

The foregoing has to do with the equity of the situation.

ADMINISTRATIVE ADJUSTMENT

A reading of the President's Executive order of August 28, 1933, which seems to embrace all pertinent matters, included in the two preceding Executive orders of April 5, 1933, and April 20, 1933, on this general subject lead to the conclusion that the Executive orders had in no way in a contemplation a situation just like that of the Philippine government. It would be difficult, therefore, if not impossible, to base the action which the Philippine government desires, on any specific provision of the President's Executive order. A slight change in wording, or a construction thereof, in the full spirit of the order would, however, precisely cover the Philippine case.

Such action must apparently be taken under section 6 of the Executive order of August 28, 1933, which among other things provides:

"The Secretary of the Treasury, in his discretion and subject to such regulations as he may prescribe, may issue licenses authorizing—

"(a) The export of gold coin or gold bullion earmarked or held in trust since before April 20, 1933, for a recognized foreign gov-

ernment, foreign central banks, or the Bank for International Settlements";

"(b) The earmarking for foreign account and/or export of gold coin or gold bullion, with the approval of the President, for transactions which the Secretary of the Treasury may deem necessary to promote the public interest."

It will be observed at once that the two lettered paragraphs refer to foreign countries and foreign accounts and might be held, therefore, not to cover the Philippine government.

In view, however, of the fact that the currency system of the Philippine Islands is a semi-independent system, the spirit of these provisions would seem to cover the Philippine Islands.

It is believed that a reasonably liberal construction of the antecedents and the law under which the gold-standard fund and the treasury certificate fund were deposited by the Philippine government in the United States will justifiably lead to the conclusion that these funds should be earmarked for the Philippine government under paragraph (b).

Without going into all of the details, the act of June 23, 1906 (34 Stat. 453), amending section 8 of the act of March 2, 1903 (32 Stat. 954), as amended by section 10 of the act approved February 6, 1905 (33 Stat. 698), reads in part as follows:

"Provided, That the treasurer of the Philippine Islands, with the approval of the Governor General, may substitute, for any part of such silver pesos hereafter deposited, gold coin of the United States legally equivalent in value, and redeem the certificates hereafter issued in either silver pesos or such gold coin of equivalent value at the option of the treasurer: *Provided further*, That the amount of gold coin held in such reserve shall not at any time exceed 60 percent of the total amount of certificates outstanding."

This, it will be observed, permitted gold coin of the United States to be held in the treasury certificate fund, and limited the amount that might be so held. The amended law still required that the fund should be held in the Philippine treasury, and that the amount not in gold coin should be in coined pesos.

In 1914, due to the European war, conditions arose which demanded that if possible that part of this fund which was authorized to be in gold should be held in the United States. It was at that time being held in the vaults of the treasurer in Manila, or in the treasury vaults under military protection on Corregidor.

The Chief of the Bureau of Insular Affairs, in requesting an opinion of the Judge Advocate General, suggested that this gold could be handled in any one of three following ways:

"(a) One million dollars gold could be placed in one of the Philippine depositories in the United States to the credit of 'treasurer Philippine Islands, certificate reserve', and held to be used as such reserve.

"(b) One million dollars could be placed in the Treasury of the United States and be similarly held.

"(c) One million dollars could be placed in a depository in New York City with instructions of the treasurer of the Philippine Islands that it should be used by the bank for the payment of the Philippine certificates on demand and used for no other purpose."

The Judge Advocate General advised:

"I can see no legal objection to either of methods (a) or (c). Both methods, under the view expressed, meet the requirements of the law that the deposits shall be held for the payment of the certificates issued against the same, and for no other purposes; and in both methods the respective Philippine depository may be regarded as one of the branches of the Philippine treasury, within the meaning of said legislation.

"As to method (b), however, I do not know of any authority of law for the Treasury of the United States to act as a branch of the Philippine treasury, or as an agency of the Philippine treasury, for the redemption of the certificates issued against such deposits. I think, therefore, that there would be legal objections to this method of handling the matter."

In order that the banks in the United States in which this gold coin was to be deposited should be actually branches of the Philippine treasury, the Philippine Legislature, by an act of February 4, 1916, authorized the Governor General to designate such depositories of the Philippine government in the United States as he deemed advisable to be branches of the Philippine treasury.

The record is perfectly clear that branches of the Philippine treasury, as distinguished from Philippine government depositories, were created for the purpose of holding United States gold coin, the property of the Philippine government, and for no other purposes.

Prior to the necessity of maintaining this deposit in gold coin of the United States no suggestion had ever been made to create branches of the Philippine treasury in the United States.

The confidence in the currency system of the United States and the assurance that all legal tender money of the United States was as good as the gold coin it was generally interchangeable with, may have, and as a matter of fact did lead to loose verbiage referring to these gold deposits, but at most this could be attributed to carelessness of an individual rather than the intent of the government to have its gold deposits lose the character of such deposits.

The Philippine law today requires that the treasury certificate fund and the gold standard fund on deposit in the United States be held in branches of the Philippine treasury previously designated as such.

The branches of the Philippine treasury were created solely to hold gold coin of the Philippine government. The funds deposited

in these branches, i.e., the gold-standard fund and treasury-certificate fund must be available to the Philippine government in gold, if the accomplishment of the purposes for which they are maintained are to be assured.

Enclosed is a letter of the secretary of finance of the Philippines, dated March 8, 1933, and a cablegram of the Governor General, dated March 10, 1933. These show that the Philippine government was acutely conscious of the evils that might result from any doubt that its funds in the United States were gold deposits and desired all doubts removed. They further show that if these funds were not earmarked gold deposits, with the exception of \$10,000,000 it was due to conditions in the United States.

The following paragraph of the Governor General's cablegram of March 10, 1933, makes this clear:

"In view of this situation, the Secretary of Finance of the Philippine Islands, his other fiscal officers, and the President of the senate, on behalf of the leaders of the Philippine Legislature, have presented to me their views which are that with the exception of \$10,000,000 necessary to carry on the ordinary transaction of the Philippine government, the funds be deposited in the United States Treasury, even though it implies foregoing the interests."

I am enclosing two letters marked one and two, written by me on April 26, 1933, and June 27, 1933, to the Governor General of the Philippine Islands.

These two letters are marked one and two; the first includes a cablegram signed "Holliday", which was transmitted to the Secretary of War on April 30, and the second includes a cablegram to the Secretary of War, signed "Murphy", sent on June 29.

These letters show how deep was the anxiety of Philippine government officials, and what efforts were made to protect Philippine government interests.

In view of the foregoing, it is hoped that the Treasury Department will earmark for the Philippine government an amount in gold equal to the gold-standard fund and treasury-certificate fund deposits in branches of the Philippine treasury in the United States on April 5, 1933. The gold so earmarked may be made available to the Philippine government under conditions which the Secretary of the Treasury may deem necessary to promote the public interest. If deemed advisable, any sum accruing to the Philippine government in excess of the face value of the deposits in legal-tender currency may be used in payment on the public debt of the Philippines.

V. SINGSON ENCARNACION,
Acting Secretary of Finance,
Secretary of Agriculture and Commerce.

WASHINGTON, D.C., December 27, 1933.

Mr. McFADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. BROWN].

Mr. BROWN of Kentucky. Mr. Speaker, my sentiment on this bill is set out in the minority views which I have filed on the subject.

If I had not asked one or two questions too many of the witnesses who appeared before the committee, I very likely would have been supporting this measure. On the face of it it looks fair that when you cut the value of our dollar, on which their currency is based, they ought to be given the benefit of that appreciation in their money. It developed, however, in the interrogation of the witnesses that every dollar of the money the Filipino Government has on deposit in this country was raised by floating bonds bought by American investors, and that they now owe the American investors approximately \$75,000,000 which they intend to pay off in our depreciated currency, depreciated 40 cents on the dollar. They want to pay a \$75,000,000 debt with \$45,000,000. Now, should we on top of that give them this increase? If there is to be a profit on the transaction it should be given to the people of America. Our Government should get the benefit of this appreciation rather than their government.

There is another angle to this situation to which I draw attention. If our action in the matter of handling our currency instead of raising the price of gold to \$34 an ounce had depreciated it to \$10 an ounce, would they have paid us the difference? No. But now they are in the position of asking us to let them pay their indebtedness to us in our depreciated currency, but at the same time give them the appreciation on their money.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, as usual, the able Representative from Kentucky [Mr. BROWN], whose splendid service here is most valuable to the Nation, has said the last word on this resolution. He has made the identical speech that I intended to make.

There is not a single scintilla of justice in this proposition. If we pass this bill, it is going to cost the American

taxpayers \$23,000,000 in cash. That is what we are to vote on—a gift of \$23,000,000. Why should our taxpayers back home be further burdened, when they are already overburdened, to make this gift of \$23,000,000 in cash to our Philippine brethren?

I have been one of those who have stood by the Philippine representatives here on this floor and helped them make their fight for their independence. I have done everything that one man could do to help win their independence. The gentleman from Kentucky told you that they have not suffered any loss, they have received this money, loaned them by Americans, and it was worth 100 cents on the dollar; and when they pay the debt they are going to pay it in the depreciated currency and then receive a profit of \$30,000,000. They are going to make \$30,000,000 in profit, and we do not want to give them a double gift.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Alabama.

Mr. McDUFFIE. If we are going to deal in individual transactions, which confuses the real issue here, because this is a bookkeeping transaction—

Mr. BLANTON. It is going to cost us \$23,000,000 in cash if we pass this bill.

Mr. McDUFFIE. It so happens that the Filipinos own seventeen or eighteen million dollars of our bonds that we are going to pay them off in depreciated currency.

Mr. BLANTON. The gentleman from Alabama is the fairest man I ever saw and I hope he will yield me an extra 2 minutes, having taken part of my time, when he controls the time for the bill.

Mr. McDUFFIE. I have promised all the time I have available.

Mr. BLANTON. I do not want him to take up all of my time arguing in favor of his bill. I am against it.

Mr. McDUFFIE. So their people will get no more advantage than our people will.

Mr. BLANTON. That is problematical, and something that no man on earth knows. No one knows what is in the future so far as the valuation of gold is concerned, or the valuation of currency or anything else. It is something we do not know anything about. If we knew all about it we could get rich overnight. That is the something that keeps the big stock gamblers guessing every moment. It is something which is making millionaires overnight and paupers at the same time.

Mr. Speaker, we should not pass this resolution. This just shows what can happen when we have not anything else to do. The House of Representatives has finished its important business. We have passed the appropriation bills. We have passed the constructive measures of economic recovery sent us by the President, and we are ready to adjourn. We are waiting on the Senate.

We ought to adjourn the very first minute we can and go home and give the American people a breathing spell. [Applause.] Every minute that we stay here will result in the passage of bills of this kind and every time we pass something we take the good American tax money out of the Treasury of the United States and pay it to somebody other than the people out of whose pockets it came. If we do not stop this business soon, we might just as well do as the gentleman from Massachusetts stated one time. I refer to that great statesman who once served here from Massachusetts with us, Joseph Walsh. He said if we did not stop passing measures of this kind and taking money foolishly out of the Treasury, we might as well take the door in front of the Treasury off its hinges and invite everybody to come in and get what they want.

When are we going to adjourn? When are we going to stop all this foolishness? When are the leaders at the other end of this Capitol going to adjourn this Congress so that we may go home where we belong. Let us vote down this bill and kill it, and then let us finish our work and adjourn sine die next Saturday night. [Applause.]

[Here the gavel fell.]

Mr. DUNN. Will the gentleman yield me a minute so that I may ask a question?

Mr. McDUFFIE. I am sorry. I have all the time taken up.

Mr. DUNN. Did the gentleman make the statement that the President of the United States was back of this bill?

Mr. McDUFFIE. The President wrote a letter requesting it; so did the Secretary of the Treasury and the Director of the Budget, the head of the Bureau of Insular Affairs, and others. They have considered this matter.

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to insert a table.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, pursuant to the consent granted to me, I submit for the consideration of the House the collections and disbursements by States on account of the processing tax under the Agricultural Adjustment Act from July 1, 1933, down to and including April 30, 1934.

The figures as to the receipts have been furnished to me by the Bureau of Internal Revenue. The figures as to payments to farmers were furnished to me by the Agricultural Department.

Processing tax collections and payments to farmers, July 1, 1933, to Apr. 30, 1934

State	Collections from processing tax	Payments	
		Rental and benefit to farmers	Surplus removal
Alabama.....	\$6,561,392.33	\$9,612,245.97	-----
Arizona.....	274,859.79	282,420.06	-----
Arkansas.....	509,207.74	10,834,045.88	-----
California.....	7,928,675.95	976,853.60	\$116,015.93
Colorado.....	2,435,758.02	1,472,063.06	-----
Connecticut.....	1,680,705.38	198,818.94	-----
Delaware.....	352,312.16	77,069.96	-----
Florida.....	406,428.30	416,128.17	-----
Georgia.....	13,948,539.26	8,783,020.88	81,119.00
Hawaii.....	554,129.04	-----	-----
Idaho.....	333,992.18	2,346,406.80	-----
Illinois.....	26,087,849.30	1,732,612.41	28,298,572.91
Indiana.....	4,316,308.43	1,342,093.33	-----
Iowa.....	6,020,205.67	339,670.96	-----
Kansas.....	10,030,643.66	16,816,355.88	-----
Kentucky.....	3,358,490.93	218,091.72	-----
Louisiana.....	1,273,742.95	5,006,782.42	-----
Maine.....	1,780,648.63	-----	-----
Maryland (including District of Columbia).....	3,401,726.92	558,541.65	-----
Massachusetts.....	17,107,741.54	96,468.40	-----
Michigan.....	3,476,609.99	587,606.57	-----
Minnesota.....	19,582,527.61	1,311,661.13	2,658,767.83
Mississippi.....	686,950.99	10,098,853.02	-----
Missouri.....	13,847,164.70	2,925,070.92	3,400,261.93
Montana.....	1,315,666.70	4,238,282.28	-----
Nebraska.....	3,238,421.57	4,040,745.52	15,104,990.63
Nevada.....	120,567.93	20,833.30	-----
New Hampshire.....	1,504,183.06	2,288.60	-----
New Jersey.....	3,012,596.54	8,020.41	-----
New Mexico.....	129,035.21	709,190.45	-----
New York.....	31,847,046.10	55,800.63	-----
North Carolina.....	24,865,272.53	4,406,051.91	-----
North Dakota.....	800,571.01	9,812,130.29	-----
Ohio.....	9,961,054.12	1,505,042.75	580,853.99
Oklahoma.....	2,873,353.17	16,419,270.92	-----
Oregon.....	2,087,367.55	1,829,248.25	4,004,421.72
Pennsylvania.....	8,029,497.60	662,275.09	-----
Rhode Island.....	2,879,197.62	-----	-----
South Carolina.....	13,864,159.44	5,567,614.86	-----
South Dakota.....	358,617.06	3,523,326.18	-----
Tennessee.....	4,552,530.64	3,417,320.06	-----
Texas.....	8,176,941.67	47,044,240.10	-----
Utah.....	325,480.56	468,945.61	-----
Vermont.....	252,613.48	2,724.95	-----
Virginia.....	4,942,704.96	831,510.88	-----
Washington (including Alaska).....	3,026,776.96	3,979,787.90	-----
West Virginia.....	899,862.63	52,743.42	-----
Wisconsin.....	2,593,380.40	469,342.93	-----
Wyoming.....	159,942.57	283,894.49	-----
Washington, D.C.....	-----	-----	762,332.98
Total.....	287,434,311.56	185,380,511.11	55,016,336.92

Expenses of administration for this period, \$13,833,187.20.

I submit that this act has been highly discriminatory and has been handled by the Agricultural Department in a way to enrich one group of States to the detriment of another.

Such a course on such a colossal scale can result in nothing but disaster to the farmer. I hope that the act will soon be repealed and that this effort to ruin our farmers stopped.

Mr. BLANTON. Would the gentleman kindly yield me an additional minute?

Mr. McFADDEN. I yield the gentleman from Texas an additional minute.

Mr. BLANTON. Mr. Speaker, the gentleman from Alabama said that the President wants this bill passed. If this were one of the measures wanted by the President as a part of his plans for economic recovery, I would without hesitation support it. But this is nothing in the world but a case where certain people are wanting to get \$23,000,000 in cash out of the Treasury of the United States, which must be made good by collecting taxes from the American taxpayers. It is a case where they have importuned the President and he could not resist their urgent importunities. Oh, I know in just how many ways a President can be imposed on by friends. They besiege him with this request and with that request. They are his good friends. They argue, and they argue, and he cannot find it in his heart to turn them down. But when he finally gives in to their repeated importunities I imagine that in his mind must come the saving thought, "surely among the 435 Congressmen in the House of Representatives, fresh each 2 years from the people, there will be some who will resist this thing to a finish and stop it", and that must be a consoling thought.

If the great Woodrow Wilson could have been saved from his friends, it is my firm belief that he would be here now. Some of us here in this Congress must watch at all times to save our present great President, Franklin D. Roosevelt, from his friends. By voting down and killing this bill we can save our President from his friends.

Mr. McFADDEN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is a most unusual bill and should be defeated. There would be just as much reason for reimbursing Great Britain or France for any deposits which they had in the United States at the time of the passage of the gold bill last January as to reimburse the Philippine Islands for the 40 percent or thereabout of the supposed loss which was incurred by the passage of the bill lowering the gold content of the American dollar. By this bill we make a present to the Philippine Islands. If we have presents to give, why not consider the American people?

I had my say on January 24 about this gold bill, and everything I stated then I want to confirm at this time. It seems that this legislation came about through the request of the Governor General of the Philippine Islands to the Acting Secretary of Finance, to the Secretary of War and the Secretary of the United States Treasury. I call attention again to the fact that the administration forced every American citizen who lived in the United States to turn over their gold to the Federal banks. They got only \$20.67 per ounce. By this bill you propose to give the Philippines \$35 per ounce for gold they did not have. All they had was a book account, and you say this must be considered the same as gold—an even worse discrimination against the American citizen but quite in keeping with other legislation you have passed at this session to help the foreigner rather than the American people.

There is no suggestion on the part of the administration to the American citizens who were compelled to turn over their gold at \$20.67 an ounce that they will receive \$35 an ounce sometime in the future. Oh, no; the American citizen is only a taxpayer. I recognize the fact, however, that we are buying gold, under the authority of the gold-bill edict, from foreign countries, some of which was shipped out of this country at \$20.67 an ounce, and that this Government is now paying \$35 an ounce for the gold. We are now the market for the world's gold at \$35 an ounce.

It has been stated that this is a bookkeeping transaction; but, mark you, the taxpayers of the United States will be interested to know some of these days, when the whole situation is up for review, whether this was a bookkeeping entry or an outright gift. I say it is a gift. In the light of changing world events, there would be just as much reason for use to make a present to Great Britain or to France. Why not make a gift to the American instead?

In Paris today, because of the uncertainty of the German financial situation, which indicates they may have to revalue the mark, the Frenchmen are figuring out what their losses are going to be if they further devalue the mark. I imagine if we knew the truth of the situation, similar

agencies in London and the United States are today trying to figure out what their losses are going to be by the downward revaluation of the mark. Are these countries going to force Germany to make good their losses?

As a result of our winning the Spanish War, we purchased the Philippine Islands and paid Spain \$20,000,000. Then this action gave the Philippines good credit, and the banks and investment markets in this country were opened up and Philippine bonds were virtually accepted at some low rates, as our own bonds, and something over \$75,000,000 worth are now owned in this country, and some of these bonds are held as security for public deposits by the United States Treasury.

A few days ago you gave the Philippines back to them—not to Spain but back to the Filipinos themselves.

And by this bill you are giving them a going-away present of over \$23,000,000 of money that belongs to the American people. It is not fair to the American people.

To Spain (purchase price).....	\$20,000,000
From American investors (still due).....	75,000,000
This bill (a gift).....	23,000,000

Total	118,000,000
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This is a pure gift to the Philippine Islands, to the detriment of every American citizen. It is a scandalous proposition when we consider the fact that this great Government of ours is penalizing every American citizen who held any gold, under the threat of sending him to jail or imposing a fine of \$10,000. They even went so far in the administration of the gold bill as to institute suits against American citizens, through the Attorney General, to compel every one of them to turn over his gold to the Federal Reserve. The further effect was to take away 40 percent of all the equities of American citizens, and then they made a quick shift between the Treasury and the Federal Reserve, and the Treasury took, supposedly, the gold from the Federal Reserve banks which was held for the redemption of Federal Reserve contracts and their notes, and we then set up a stabilization fund of \$2,000,000,000 in the hands of the Secretary of the Treasury to use as he sees fit, without accounting to anyone, and over \$200,000,000 of this amount has been now used and the American people are in ignorance of what has been done with it.

I submit to the Members of the Congress that we cannot afford to do a thing like this. You will answer to the American public, who have been forced to accept this imposition that has been put upon them under this gold-devaluation scheme.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Speaker, I will read just a sentence or two from the majority report:

This leaves a balance of \$23,862,750.78, which, it is thought by the President and the above-named officials, represents the sum which should be credited to the Philippine government on the books of the Treasury in order to restore the gold value of the Philippine currency reserves as of January 31, 1934. When the gold content of the United States dollar was diminished, we took credit on our books for approximately \$2,811,013,126.

Now, this money had to come from somewhere, and there is no reason why the United States citizen living in this country should be treated any differently from the Filipino.

From the minority views I desire to read a statement:

In all, the Philippine government owes a bonded indebtedness of approximately \$75,000,000, all of which is payable in dollars at the door of the Treasury of the United States, and practically all of these bonds being held by investors in the United States.

The Philippine people received a benefit as a result of the devaluation of the dollar by virtue of their indebtedness to individual investors in the United States, and for the life of me I cannot conceive of any reason why they should receive any different treatment than that accorded the citizens of the United States from whom was taken, even though it is said to be only a bookkeeping transaction, the greater portion of \$2,811,013,126.

Mr. GUEVARA. Will the gentleman yield?

Mr. BLANCHARD. Yes; I yield.

Mr. GUEVARA. Does not the gentleman know that the American people have already benefited by the devaluation of the dollar by virtue of public improvements carried on through the P.W.A. and in other ways, all of which has been for the benefit of the American people?

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Speaker, the problem which you and I confront as an incident to this legislation illustrates but one of the many evils growing out of the gold-devaluation policy or the policy of devaluing the gold dollar. I was opposed to that policy in the first place; but, as a matter of logic and straight thinking, no conscientious legislator can vote against this bill.

Let us see if, in a few words, I can state the proposition so that those who are listening and want to do the right thing on this bill will understand just what is at issue and what should be done.

In the first place, we cannot compare this situation with the situation which might exist between this Government and England or France, for this reason. We never passed any laws fixing the value of the currency of England or of France. We have never tied their hands on the value of their circulating medium—

Mr. McFADDEN. Will the gentleman yield?

Mr. BEEDY. Let me complete my statement.

Mr. McFADDEN. The gentleman has referred to my statement.

Mr. BEEDY. I shall yield in a moment.

But on March 2, 1903, we established by law a unit of value for the Philippines. We stated in that law just how much gold the peso should contain and we stated that two pesos equaled one American dollar.

Then the next step we took that affects the value of their peso was to devalue our gold dollar. We thereby give ourselves more dollars. Theoretically we thereby made \$2,800,000,000 profit, but we left the Philippines helpless, with the value of their medium fixed by this Congress. In other words, we contracted their currency by as much as we expanded our own.

Now, this is not the situation existing as between this country and France, and remember this bill does not deal with the relationship of this Government of ours to any citizen in America or any citizen in the Philippines. It is a question of what our Government, as result of having devalued its dollar, owes to the government of the Philippine Islands.

If our Government takes profit when we devalue our dollar, we should extend the same right to the Philippine government, whose peso is linked to our dollar by act of our own Congress.

Of course, there are a good many evils that follow from the devaluation of our gold dollar, and the gentleman from Kentucky [Mr. BROWN] makes an eloquent argument against the policy of his President. He shows some of the evils that are gradually coming to light and are inevitable as a result of the devaluation policy. The gentleman says that individual American citizens who bought Philippine bonds are going to lose money, and this is true, because their Government may now compel them to accept in payment of its bonds a dollar of less value than they promised to pay when the bonds were sold. Our Government may now compel American citizens to accept payment of our bonds in a dollar that is of less value than we agreed to pay them when we sold the bonds.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Speaker, I yield the gentleman 2 minutes.

Mr. BEEDY. There is, therefore, no logic, no grounds for a man to stand on in denial of the right of the Philippine government to demand the same profits that we ourselves take.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. BROWN of Kentucky. I want to ask the gentleman if it is not true that by reason of the Presidential proclamation

devaluing gold, the Philippine Islands will gain more than they have lost if we do not pay them this amount?

Mr. BEEDY. The gentleman says the Philippine Islands. Is he talking about the Philippine government?

Mr. BROWN of Kentucky. The Philippine government in repaying their bonded indebtedness will make more than they will lose by reason of the President's proclamation.

Mr. BEEDY. The Philippine government should make the same profit "out of thin air" that we have made by devaluing the American dollar.

Mr. BROWN of Kentucky. I mean without the passage of this bill—they will make more than they will lose.

Mr. BEEDY. That is a matter of arithmetic—the gentleman can figure that out to his own satisfaction. Wherever the bonds come due in the Philippine Islands the holders of those bonds have got to take their loss. That is the inevitable result of the policy of the gentleman's party in the devaluation of the American dollar. I voted against the proposition and the gentleman from Kentucky voted for it. Let him take his medicine and stop whining.

Mr. BROWN of Kentucky. I am not whining and I am taking my medicine.

Mr. BEEDY. Then why does the gentleman object to the bill?

Mr. BROWN of Kentucky. Because, as I say, the Philippine Islands will make more out of this in paying their bonded indebtedness than they will lose by the devaluation. They will make money at both ends of the deal.

Mr. DONDERO. And what is true of the Philippine people is true of our own people.

Mr. BEEDY. Certainly. But let me put the problem in another way. On January 31, 1934, the Philippine Government had on deposit in this country \$56,276,000 in pursuance of a law requiring deposits in our banks as basis for the circulating medium of the Philippines. Several times before the President issued the Executive order devaluing the gold dollar the Philippine Government requested that an amount of gold equaling the amount of their deposits of currency reserves be set aside by our Government as a basis for their circulating medium. But our Government persuaded the Philippine government not to insist upon such action, at the same time admitting that they had a perfect right to make such a demand.

Therefore, on January 31, 1934, we had \$56,276,000 more of gold than we would have had if we had not avoided compliance with the requests of the Philippine government to earmark that amount of gold for them.

Thus when we computed our so-called "profit" on the devaluation of our gold dollar we realized profits on gold which in equity should have been earmarked for the Philippines. It is this excess profit on the \$56,276,000 in question which we are now asked to credit to the Philippine Government. Who, in the light of these facts, can deny the justice of this bill? I certainly cannot.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I want to call the attention of the House to the fact that you are establishing a precedent that is going to have a great reaction.

I want to call your attention to the case of Panama, where the United States is trying to pay an obligation of some \$450,000 owed to Panama in the new dollar, and Panama refuses and takes the matter to court. This important case, I understand, is now pending. Does not this bill dispose of this case? That is only one instance of the many complications as a result of the passage of the gold devaluation bill. I might call attention to the fact that there are many people abroad who are watching these moves; are we going to establish a precedent here now that will force the United States to pay in gold at \$35 per ounce the people abroad, in continental Europe, who hold obligations, United States bonds, gold certificates, Federal Reserve notes—they are contracts, you know, and the holders of these contracts are watching the decision in the Panama case and what you are doing here today. I ask for the defeat of this unjust bill.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Speaker, I cannot refrain from giving my views, even though I have only two and a half minutes in which to express them. I was not in agreement with the policy of the administration in devaluing the gold dollar. I made a statement on the floor of the House predicting that we were going to get into much confusion as a result of that devaluation. We also had before our Committee on Coinage, Weights, and Measures a statement made by an eminent economist who appeared before that committee, Mr. John Janney, and I read some of his words:

Theoretically and superficially you have remedied the dislocated value of the dollar by such a law; practically and in effect you have merely added additional confusion, and you have established a principle that will destroy confidence in business, as in effect this legislation confiscates property and distributes wealth by legislative enactment. This is the very condition we are trying to remedy.

I think this statement and prediction of Mr. Janney is being vindicated by the very bill now before the House. His statement predicting the collapse of our credits and the failure of our banks has since been vindicated. I cannot understand why we have presented for such brief discussion these far-reaching and momentous questions. I feel and I believe we all should feel that the great principle involved in these monetary measures should be solved. If we solve the great problem of our money, if we establish the basis for confidence, which is stability, if we provide a sound and stable money system, we thereby will automatically solve all of these complexities at one and the same time.

We have not only this situation, as has been said here before today, but we are going to have probably a thousand different situations that are going to grow out of this mistaken monetary legislation. We are going to merely add to all of the confusion we talked about when we passed this bill. What will we do when Philippine bonds fall due which were bought with 23-grain gold dollars and will be paid with 14-grain gold dollars? If these dollars are the same, why this bill? If they are different, who will make good this difference to American investors in Philippine bonds?

Mr. McDUFFIE. Mr. Speaker, the gentleman does not refer to the pending bill.

Mr. FIESINGER. I am referring to the general principle of the devaluation bill, and to the complexities that flow out of it, of which this proposition is a notable example. The contention is made here that we made a profit out of the evaluation. We made only a bookkeeping profit, and if by any chance future circumstances should develop that that paper profit vanishes into thin air, then we will have paid the Philippines \$23,000,000 of the hard-earned money of the taxpayers of the United States.

When we see the cost to us, when we realize the economic consequences, which some day we will do, the consequences of this devaluation of our dollar, we will go back to specie payment on a stable gold-dollar basis. We will seek to restore the value of our exported products as measured in gold. We will see the necessity for this. Then, when that time comes, the less we have of such messy measures as this bill, the better for us.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. McDUFFIE. Mr. Speaker, this does not represent an additional burden upon the American people. Our Government has taken its profit of \$2,800,000,000, but the insular government has lost and will continue to lose on its reserve fund. It is simply an effort to do justice, to do equity, to a ward or the wards of the United States Government. We should give our wards the same advantage relatively that we took for ourselves. Should the fears expressed by the gentleman from Ohio [Mr. FIESINGER] materialize, we could correct it by the simple process of legislation for readjustment, as we are trying to do now in this bill. Gentlemen have seen fit to say that the Filipino people have profited as a result of the Presidential proclamation. The Filipino individual, surrendering his gold, took no profit nor did his government profit as did the American Government by the

revaluation; and having a different currency, which has been explained to you, they will sustain enormous losses because of a deflated dollar on which this currency is based by our law. For instance, the proclamation of the President will cost the Philippine government \$10,000,000 in exchange on the Manila railroad bonds which are outstanding, payable in pounds, guilders, and Swiss francs. Is it right for this great Government that dictates the entire affairs of these people to fail to make them whole on losses sustained as a result of an act of our Government? As the gentleman from Maine [Mr. BERRY] has correctly said, I think if you gentlemen could have been with the committee and heard the witnesses and heard their explanations of the equities of this bill, you would feel exactly as he feels and that this legislation should pass. Had the gentleman from Kentucky [Mr. BROWN] in his State a different currency from the rest of this country, fixed by this Congress, and a currency reserve fund deposited in dollars, but treated as gold, he would be here urging that the Congress do equity and make the people of Kentucky whole as to their currency reserves.

We, of course, have the same currency in every State and no State has a currency reserve fund. No other people have the same relationship to this Government as the Filipinos with reference to currency and there could be no such equitable claim as this from any other government. In addition to that, these people do two and a half million dollars' worth of business per month, on which the exchange, as a result of the devaluation of our dollar, amounts to many millions of dollars in the course of a year. Is it not the duty of this Government to aid them in a situation not of their own making?

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. The gentleman did not yield to me and I am sorry I have not the time to yield to him. I regret the gentleman from Kentucky [Mr. BROWN] is today joining the gentleman from Pennsylvania [Mr. McFADDEN] who can see no good apparently in any suggestion that might come from any President, whether he be a Democrat or a Republican. I regret very much the gentleman from Kentucky is today pitting his judgment against that of the President of the United States, of the Secretary of the Treasury, of the Director of the Budget, and all those who have recommended this legislation. We must assume that those gentlemen are not trying to throw away the taxpayers' money and we must likewise assume that they are trying to do plain, simple justice to a people entirely dependent upon this Government. I believe the American people desire to be at least fair and just in this matter in accord with the President's views.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. I am not surprised, if the gentleman will excuse me, to find the gentleman from Pennsylvania [Mr. McFADDEN] complaining about the policy of the administration, with reference to gold, but I am surprised that the gentleman from Kentucky [Mr. BROWN] who apparently applauds the President in his gold-standard policy, sees fit now to use the Republican argument in condemnation of that policy.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. He does not, of course, use the words of the Republicans, but actions sometimes speak louder than words, and in the argument he makes he simply underwrites the principal argument made by the Republicans against the Presidential proclamation in devaluing the dollar, and in his policies as to gold.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. Yes; for a question.

Mr. BROWN of Kentucky. I resent the gentleman's linking me with the gentleman from Pennsylvania as objecting to the statements of all Presidents. The gentleman from Alabama said that the gentleman from Pennsylvania [Mr. McFADDEN] and myself can see no good in the statement of any President. The gentleman knows that that is not true. I have been one of the closest followers of the President in

the House, and in every one of his measures I have stood by him. I think the gentleman is doing me an injustice.

Mr. McDUFFIE. I did not mean to say that the gentleman could not see any good in any statement of any President; but I do mean to say, and I regret, he could see no good in the statement the President at this time and on this particular measure has made, after assuming always to be a very loyal follower of President Roosevelt.

The minority report filed by the gentleman is ingenious, but its fallacy lies in the fact that in this bill we are dealing with a special fund of the Philippine government, and not with individual transactions or the payment of bond issues of either government.

Mr. DONDERO. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. DONDERO. Are we doing anything else than keeping faith with the Philippine government in passing this measure?

Mr. McDUFFIE. That is correct; furthermore, I repeat this is not a question of the ownership of bonds or settling bond issues and individual transactions. This is a question of adjusting the currency reserves of the government of the Philippine people. These 14,000,000 people are under our flag. They are our wards, and in this instance we are trustees of their currency reserve funds.

Mr. McFADDEN and Mr. DINGELL rose.

Mr. McDUFFIE. I yield to the gentleman from Michigan.

Mr. McFADDEN. Inasmuch as the gentleman referred to me, I think he ought to yield to me.

Mr. McDUFFIE. In a moment I will yield to the well-known impeacher of Presidents.

I yield to the gentleman from Michigan.

Mr. DINGELL. I should like to ask the Chairman of the Committee on Insular Affairs whether, as a matter of fact, it is not true that this is simply a matter of book-keeping and allowing the proper share of the increase to the government of the Philippine Islands that we have assumed on the deflation of the dollar?

Mr. McDUFFIE. I thank the gentleman for his suggestion. Simply stated, here are people under our flag, and we are proposing in this bill to treat the currency reserve funds of the government of those people as we have done for ourselves in expanding the value of our own gold dollar. Let us remember that their fund was in dollars. Had it been in gold as they repeatedly asked, this bill would be unnecessary.

The SPEAKER pro tempore. The time of the gentleman from Alabama [Mr. McDUFFIE] has expired.

Mr. McDUFFIE. My time has expired and I regret very much that I cannot yield to the gentleman from Pennsylvania [Mr. McFADDEN]. Of course, I know he disagrees with the gold policy of the administration. Let me here submit excerpts from the committee's report:

It was argued in the committee that our own citizens received no credit for the difference in value when their gold was called into the Treasury and redeemed in currency; that the Philippine government has outstanding bonds owned largely in the United States, which will be amortized in a devalued dollar; that if this bill becomes law, we will favor the Filipinos over our own people in that we are here proposing a credit to them on the books, as well as giving them the privilege of paying their obligations in a devaluated currency. If the Philippine monetary system were the same as ours and not a separate system interlocked by an act of Congress with that of the United States, such argument might be reasonable. The comparison, however, between citizens of our various States and the Filipino cannot apply, since our citizens as a whole will be benefited by the profit accruing to this Government, and these benefits will offset the personal loss that may be taken as a result of the proclamation.

In the case of the Filipino people, they have been forced to take the personal loss—their gold has been turned in just as was the gold of our own citizens—but no benefits will accrue to them or their government until the value of their gold reserve is reestablished by the Government of the United States. In the case of our own citizens, while the individual may not have been credited, nevertheless, the credit goes to the Federal Government, or the whole of the American people, each State, of course, having the same currency system as the Federal Government. It is quite certain that if any State had a separate monetary system tied in with ours by an act of the Federal Government the government of such a State would undoubtedly have the same rights and equities as we are seeking to establish by this bill.

The Philippine National Bank now owns Liberty bonds and other obligations of our Government amounting to approximately \$17,000,000. Likewise, many of our securities are held by individual Filipinos. Those obligations will be paid, not in gold but in legal currency, which means that we will pay them with a devaluated dollar. It should also be stated that the insular government has outstanding bonds of the Manila Railroad payable in pounds, guilders, and Swiss francs. In amortizing these bonds in foreign currencies, due to the difference in exchange, as a result of the action of this Government in revaluing its money, a loss of approximately \$10,000,000 will be sustained by the insular government. Surely no one can fail to see the inequity in a failure of our Government to make the insular government whole in a loss occasioned by our own action.

The currency-reserve funds of the Philippine government are by law held in two funds, namely, the gold-standard fund, the legal limits of which are not less than 15 percent nor more than 25 percent of all the money in circulation and available for circulation by the Philippine government; the treasury-certificate fund, which by law must consist of peso for peso, or \$1 for every 2 pesos, for every Philippine treasury certificate issued or available for issue. Of the \$56,276,056.92 Philippine currency reserves on deposit in the United States as of January 31, 1934, \$19,112,253.42 pertained to the gold-standard fund and \$37,163,803.50 to the treasury-certificate fund.

The experts of our Government have decided that the credit of \$23,862,750.78 is just, equitable, and fair, and the committee feels that no great government can do less than what is proposed in this bill for its dependent people. It is in nowise suggested that any and all funds on deposit in this country to the credit of individuals and the insular government, over and above the funds actually held as currency reserve funds, should be enhanced in value by an act of Congress.

Coincident with the Independence Act, a refusal on the part of this Government to meet its moral obligation in readjusting the currency reserves of the insular government, the value of which is interlocked with our own monetary system, is inconceivable. Such refusal would be an omission unworthy of this great Government and of the Congress, on whom this responsibility now rests.

We have failed to keep faith in our Independence Act by putting an embargo on the second largest industry of the islands, which will likely be taken over by Japanese interests to the detriment of the American farmer and laborer. A failure to pass this measure would be another gross injustice, unworthy of the American people.

Mr. McFADDEN. Mr. Speaker, inasmuch as the gentleman would not yield to me, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. All time has expired. The question is on the motion of the gentleman from Alabama [Mr. McDUFFIE] to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. Brown of Kentucky) there were—ayes 84 and noes 25.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present, and I object to the vote on the ground that is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 189, nays 123, answered "present" 2, not voting 115, as follows:

[Roll No. 186]

YEAS—189

Adair	Carden, Ky.	Cullen	Goldsborough
Adams	Carmichael	Darden	Granfield
Allen	Carter, Wyo.	Dear	Gray
Arnold	Cartwright	Delaney	Green
Ayres, Kans.	Castellow	De Priest	Greenwood
Bakewell	Celler	Dickinson	Gregory
Bankhead	Chapman	Dickstein	Griswold
Beam	Chavez	Dies	Hamilton
Beck	Claiborne	Dingell	Hancock, N.C.
Beedy	Cochran, Mo.	Dondero	Harlan
Belter	Colden	Doughton	Hastings
Biermann	Cole	Drewry	Henney
Black	Colmer	Duncan, Mo.	Higgins
Bland	Condon	Dunn	Hildebrandt
Bloom	Connery	Eagle	Hill, Ala.
Brooks	Cooper, Tenn.	Edmiston	Hoidale
Brown, Mich.	Cox	Eicher	Howard
Brunner	Cravens	Farley	Hughes
Buchanan	Crosby	Fitzgibbons	Imhoff
Buck	Cross, Tex.	Fitzpatrick	Jacobsen
Byrns	Crosser, Ohio	Frear	Jenckes, Ind.
Caldwell	Crowe	Gasque	Johnson, Okla.
Cannon, Mo.	Crump	Gillette	Johnson, Tex.

Jones
Kahn
Kee
Keller
Kennedy, Md.
Kenney
Kerr
Kocialkowski
Kopplemann
Lambeth
Larrabee
Lewis, Colo.
Lewis, Md.
Lloyd
Lozier
Luce
Lundeen
McCarthy
McCormack
McDuffie
McFarlane
McGugin
McMillan
McReynolds
McSwain

Maloney, Conn.
Maloney, La.
Mansfield
Martin, Colo.
Martin, Oreg.
Meeks
Milligan
Mitchell
Monaghan, Mont.
Montague
Montet
Morehead
Muldowney
O'Connell
O'Connor
Oliver, Ala.
Oliver, N.Y.
Palmsano
Peterson
Pettengill
Peyser
Prall
Ramsay
Ramspeck
Rankin

Rayburn
Rellly
Richards
Richardson
Rogers, Okla.
Romjue
Rudd
Sanders, La.
Sanders, Tex.
Sandlin
Schulte
Sears
Secrest
Shallenberger
Sirovich
Sisson
Smith, Va.
Smith, Wash.
Smith, W.Va.
Snyder
Spence
Steagall
Sutphin
Taylor, Colo.
Taylor, S.C.

Thom
Thomason
Thompson, Tex.
Traeger
Turner
Turpin
Umstead
Utterback
Vinson, Ga.
Vinson, Ky.
Warren
Welch
Werner
West, Ohio
West, Tex.
Wilcox
Williams
Wilson
Wolcott
Wood, Mo.
Woodrum
Zloncheck

Mr. Healey with Mr. Millard.
Mr. Griffin with Mr. Wadsworth.
Mr. Flannagan with Mr. Rich.
Mr. Disney with Mr. Thomas.
Mr. Kleberg with Mr. Perkins.
Mr. Lanham with Mr. Withrow.
Mr. Mead with Mr. Edmonds.
Mr. Lea of California with Mr. Seger.
Mrs. Norton with Mr. Thurston.
Mr. Parks with Mr. Plumley.
Mr. Weaver with Mr. Goodwin.
Mr. Patman with Mr. Tobey.
Mr. Summers of Texas with Mr. Stalker.
Mr. Ludlow with Mr. Dautrich.
Mr. Sullivan with Mr. James.
Mr. Harter with Mr. Buckbee.
Mr. Boehne with Mr. Andrew of Massachusetts.
Mr. White with Mr. Britten.
Mr. DeRouen with Mr. Connolly.
Mr. Johnson of West Virginia with Mr. Guyer.
Mr. Collins of Mississippi with Mr. Dirksen.
Mr. Gambrell with Mr. Kelly of Pennsylvania.
Mr. Browning with Mr. Chase.
Mr. Fernandez with Mr. Andrews of New York.
Mr. Boylan with Mr. Hartley.
Mr. Allgood with Mr. Cochran of Pennsylvania.
Mr. Rogers of New Hampshire with Mr. Peavey.
Mr. Somers of New York with Mr. Reid of Illinois.
Mr. Swank with Mr. Johnson of Minnesota.
Mr. Musselwhite with Mr. Kvale.
Mr. Sweeney with Mr. Shoemaker.
Mr. Strong of Texas with Mr. Marland.
Mr. Auf der Heide with Mr. Dobbins.
Mr. Robertson with Mr. Lesinski.
Mr. Scrugham with Mr. Durgan of Indiana.
Mr. Studley with Mr. Willford.
Mr. Knute Hill with Mr. Wearin.
Mr. Lanzetta with Mr. Hoeppel.
Mr. Lee of Missouri with Mr. Deen.
Mr. Church with Mr. Haines.
Mr. Burch with Mr. Cannon of Wisconsin.
Mr. Brennan with Mr. Cary.
Mr. Burke of California with Mr. Frey.
Mr. Dockweller with Mr. Boland.
Mr. Carley of New York with Mr. Berlin.
Mr. Ford with Mr. Jeffers.
Mr. Bailey with Mr. Abernethy.

NAYS—123

Arens
Ayers, Mont.
Blanchard
Blanton
Boileau
Bolton
Brown, Ga.
Brown, Ky.
Burke, Nebr.
Burnham
Busby
Cady
Carpenter, Kans.
Carpenter, Nebr.
Carter, Calif.
Cavichia
Christianson
Collins, Calif.
Crowther
Culkin
Cummings
Darrow
Dowell
Doxey
Driver
Duffey
Eaton
Elzey, Miss.
Eltsie, Calif.
Englebright
Evans

Faddis
Flesinger
Fish
Fletcher
Focht
Foss
Foulkes
Fuller
Fulmer
Gavagan
Gilchrist
Gillespie
Glover
Greenway
Hancock, N.Y.
Hart
Hill, Samuel B.
Hollister
Holmes
Hope
Jenkins, Ohio
Kelly, Ill.
Kennedy, N.Y.
Kinzer
Kloeb
Kniffin
Kurtz
Lambertson
Lamneck
Lehbach
Lehr

Lemke
McFadden
McGrath
McLean
McLeod
Mapes
Marshall
Martin, Mass.
May
Merritt
Miller
Moran
Mott
Moynihan, Ill.
Murdock
Nesbit
O'Brien
O'Malley
Owen
Parker
Pierce
Polk
Powers
Randolph
Ransley
Reece
Reed, N.Y.
Robinson
Rogers, Mass.
Ruffin
Sabath

Schaefer
Schuetz
Shannon
Simpson
Sinclair
Stokes
Strong, Pa.
Stubbs
Swick
Taber
Tarver
Taylor, Tenn.
Terry, Ark.
Thompson, Ill.
Tinkham
Treadway
Truax
Underwood
Waldron
Wallgren
Walter
Weideman
Whitley
Whittington
Wigglesworth
Wolfenden
Wolverton
Wood, Ga.
Woodruff
Young

ANSWERED "PRESENT"—2

Clarke, N.Y. Ellenbogen
NOT VOTING—115

Abernethy
Allgood
Andrew, Mass.
Andrews, N.Y.
Auf der Heide
Bacharach
Bacon
Bailey
Berlin
Boehne
Boland
Boylan
Brennan
Britten
Browning
Buckbee
Bulwinkle
Burch
Burke, Calif.
Cannon, Wis.
Carley, N.Y.
Cary
Chase
Church
Clark, N.C.
Cochran, Pa.
Collins, Miss.
Connolly
Cooper, Ohio

Cornning
Deen
DeRouen
Dirksen
Disney
Ditter
Dobbins
Dockweller
Douglass
Doutrich
Durgan, Ind.
Edmonds
Fernandez
Flannagan
Ford
Frey
Gambrell
Gifford
Goodwin
Goss
Griffin
Guyer
Haines
Harter
Hartley
Healey
Hess
Hill, Knute
Hoeppel

Huddleston
James
Jeffers
Johnson, Minn.
Johnson, W.Va.
Kelly, Pa.
Kieberg
Knutson
Kramer
Kvale
Lanham
Lanzetta
Lea, Calif.
Lee, Mo.
Lesinski
Lindsay
Ludlow
McClintic
McKeown
Marland
Mead
Millard
Musselwhite
Norton
Parks
Parsons
Patman
Peavey
Perkins

Plumley
Reid, Ill.
Rich
Robertson
Rogers, N.H.
Sadowski
Scrugham
Seger
Shoemaker
Snell
Somers, N.Y.
Stalker
Strong, Tex.
Studley
Sullivan
Summers, Tex.
Swank
Sweeney
Terrell, Tex.
Thomas
Thurston
Tobey
Wadsworth
Wearin
Weaver
White
Willford
Withrow

So, two-thirds not having voted in favor thereof, the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Cornning with Mr. Snell.
Mr. Douglass with Mr. Gifford.
Mr. McKeown with Mr. Bacon.
Mr. McClintic with Mr. Cooper of Ohio.
Mr. Lindsay with Mr. Bacharach.
Mr. Bulwinkle with Mr. Ditter.
Mr. Clark of North Carolina with Mr. Hess.
Mr. Huddleston with Mr. Goss.

Mr. FLETCHER changed from "aye" to "no."

Mr. FULMER changed from "no" to "aye."

Mr. HILL of Alabama. Mr. Speaker, the gentleman from New Hampshire, Mr. ROGERS; the gentleman from Michigan, Mr. JAMES; the gentleman from Connecticut, Mr. Goss; the gentleman from Vermont, Mr. PLUMLEY, are members of a subcommittee of the Committee on Military Affairs conducting an investigation of the War Department purchases of property. They will be engaged there during all the afternoon.

The result of the vote was announced as above recorded.

The doors were opened.

A NEW ERA OF ART IN THE NEW DEAL

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLDEN. Mr. Speaker, and Members of the House, the closing days of the Seventy-third Congress are upon us. In these strenuous hours and months since March 9, 1933, we have devoted our time to the relief of unemployment, economic recovery, and numerous measures of reconstruction. We have cooperated with our splendid President to set the wheels of the new deal in motion. Some of our problems are but partially solved but we have made notable progress. It is not my purpose at this time to review the comprehensive achievements of this Congress following the leadership of our great President because others of a more mature experience have done this more ably than I can. But it is my wish to point out a phase of the new deal that is worthy of special mention. In bringing up the subject of the Public Works art project, I desire not to detract from the pressing problems which confront us but merely to encourage an important movement of the new deal which has been given birth and which I think is so commendable as to be worthy of recording for the years to come.

In discussing the Public Works art projects, I desire to call your attention to the fact that along with the necessities of life such as food, clothing, and shelter, beauty is one of man's inherent desires. That beauty in music, sculpture,

painting, writing, scenery, and in all its forms, has not only been a priceless gift in the life of every individual but that in some instances all we have left of a bygone civilization are but the footprints and fingermarks of the forgotten man and the work of its sculptors, its architects, or its poets. Only fragments of its glory gathered from its shattered and buried art remains. All else has been obliterated by time.

So I believe that one of the fine things that this administration has achieved is the help given to American art and American artists under the P.W.A. project. When the Government placed more than 3,000 artists on the pay roll and instructed them to produce works of art for the embellishment of public buildings, as it did during the past winter, the movement marked a new era in the history of the fine arts on the American continent. The maker of beautiful things was placed on an equal footing with the producer of industrial products. The artist was recognized as one of the factors that makes up the greatness of America.

Under the Public Works art project, of which Edward Bruce, a painter of distinction, is secretary, artists were employed at a small but living wage to produce the kind of work for which they were best fitted, and though it was described as a relief measure, it was not charity. When a collection of the productions of these artists was assembled in the Corcoran Art Gallery in Washington it was discovered that the Government had secured works of art worth many times the price paid. They were brought from all parts of the country, and I am happy to say that my own State and the Pacific coast produced artists of skill and inspiration second to none.

This unique program of the administration is helping a class of workers which was the first to feel the depression and will be the last to recover. Many of us, I am sure, wish to encourage this splendid program that has had such an auspicious beginning.

The pictures and sculpture produced under the Public Works art project are now adorning public buildings where formerly there were only bare walls, bringing a touch of beauty to relieve the eye and refresh the spirit. Many more works of art have been called for to embellish schools, libraries, hospitals, and other public buildings in every State of the Union. By this plan works of art are made available for the multitude which too often in the past have been monopolized by the privileged few.

Mr. Merle Armitage, regional director of this project at Los Angeles and who supervises the distribution of these works of art in Southern California, informs me that schools or other tax-supported institutions may receive works of art by applying for them. He further states the project has been such a great success that he does not see how the Government can give it up. That for an expenditure of less than \$65,000 in Southern California, the Government has acquired nearly \$500,000 worth of art, much of which is of a high class.

In continuing a program such as the Public Works art project, the Government is sponsoring the cultural as well as the industrial phases of our national life. During the World War, the services of artists in camouflage work was of great value as a measure of public safety and public-spirited American artists are continuously contributing volunteer posters and pictures for patriotic programs of our country. Artists have earned recognition.

It is no solution of the artist's problem to place him in other kinds of work. That merely adds to the overcrowding of other ranks of labor. It is a reasonable policy to employ the artists at producing the beautiful things for which they are fitted by talent and by training. It has been suggested that artists should be helped to find a market for their wares, just as help is given to other classes of commerce and trade. Just forget for a moment that an artist is an artist and think of him as one who takes raw materials and converts them into a commodity. The sculptor takes a piece of clay and produces a thing of beauty. The painter takes pigment and canvas and produces a lovely picture. If the clay were made into pots or if the canvas and paint were made into something utilitarian, the Department of Commerce would gladly help the producer find a market

for his goods. It is equally reasonable for the Government to help rehabilitate the industry of taking raw materials and fashioning them into objects of beauty which redound to the welfare of all the people and add to the glory of America among the nations of the earth.

During the new era, with its shorter hours of labor, the problem of finding profitable use for leisure time is of paramount importance. There is no better way to employ leisure time than by the cultivation of the fine arts. As an avocation there is nothing superior to developing one's artistic talent. Now is the time for the American people to be encouraged in the pursuit of the arts. The handiwork of the artist is an individual expression that stands alone in this age of commercialism.

As a Californian, I was thrilled at the prominence given to the California artists in the exhibition held last month at the Corcoran Art Gallery, when the President and Mrs. Roosevelt selected paintings from my own State to be placed in the White House; and I was especially proud of the fact that the second in their choice of 32 art objects was a picture of San Pedro Harbor, which is a scenic spot close by my place of residence. Point Firmin and its sea-lashed rocks, which has tempted the skill of prominent artists, is also nearby.

At this point I wish to call attention to an appreciation of art that has been developed by numerous high schools of our country. One that is outstanding in my memory is in Gardena, Calif., in the congressional district I have the honor to represent. Gardena is a comfortable little city surrounded by vegetable, fruit, and dairy farms. Gardena takes special pride in its schools. For some years each graduating class of the high school makes a present of a painting to the school. The result is that the assembly room of the Gardena High School is adorned with a collection of pictures of which the entire community is rightfully proud. No visitor to this glorified assembly room can fail to feel the refinements and beauty of the environment. Those in charge of the recent art exhibits of the Public Works of Art Project of California have added numerous paintings to the California high-school collections. Thus art has taken deep root and exerts a delightful culture in many communities which by self-help have obtained these objects of refinement.

I might also add that at Avalon, Catalina Island (which is a work of art wrought by nature's hand), is a pottery plant that combines art with industry and converts the crude clay into many articles of beautiful design.

I have recently been interested in a movement now being fostered by Charlton L. Edholm, a painter of recognized ability and a friend of mine, who is promoting a series of small traveling art exhibits from Westchester County, N.Y. The idea is that traveling art exhibitions should be arranged, so that the people on the Atlantic coast should see the work of western artists and vice versa.

The ideas of this versatile gentleman, and those of hundreds of other individuals, can, if carried out, produce as great a cultural America as we have achieved an industrial and commercial America. For many years the people of Europe declared that America was great in all things, but lacking in art. This applies no longer. The new deal has sponsored a new era of art in America.

Because of the wide-spread interest in the Public Works art project, and those who are laboring for its success, and in behalf of many citizens of the United States, it is our desire to commend and encourage this cultural movement which has arisen out of the crisis in our economic life and its calamitous situations. It is to be hoped that the cultural side of America will be fostered and continued in the new deal, which promises the rehabilitation of the American home, assured employment, economic security, renewed hopes for the forgotten men and women, a more abundant life, and art for all.

TRIBUTE TO DR. REXFORD G. TUGWELL

Mr. FOULKES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOULKES. Mr. Speaker, the appearance of Dr. Rexford G. Tugwell, now Assistant Secretary of Agriculture, before the Senate Agriculture Committee to be questioned prior to taking action on his nomination by President Roosevelt to be Under Secretary of Agriculture, makes it fitting that I refer briefly to this brilliant and widely discussed young official.

Since I am not a Member of the Senate I have nothing to do with the matter of his confirmation, which is entirely within the scope of the Senate's authority. I am confident, of course, that the Senate will cooperate with the President, recognizing the wisdom of his action, and confirm the nomination of Professor Tugwell. I regret, moreover, that certain of the conservative wing of the Senate have objected to Dr. Tugwell's advancement as provided by the President. I am hoping that their objections are finally withdrawn, although if such should not be the case I am sure that the counsels of the progressive element will prevail and that Dr. Tugwell's selection will be approved by a decisive majority.

It seems to me a most encouraging sign of the times when a clean, sincere, high-minded progressive like Professor Tugwell—a scientist, an educator, and moreover, an able executive—occupies such a post in the Government. One of the finest things done by President Roosevelt has been to stand firmly by Dr. Tugwell instead of being swayed by loud-mouthed critics and faultfinders.

Personally, I do not know just what Dr. Tugwell regards as the ultimate form that an ideal government must take, and I doubt if he is flatly committed to any cut-and-dried philosophy. Rather, he is a man of the scientific type who refuses to be obstinately tied down to old customs and institutions. He knows that governments must learn new facts, just as human beings must learn them, and he is not in sympathy with the attitude assumed by some people that they know everything and there is no other knowledge in the universe for them to acquire.

Dr. Tugwell is certain about one point, and all fair-minded citizens should recognize it—that no government can do its duty unless it takes prompt and vigorous measures to guarantee prosperity to its citizens. Talk about "rugged individualism" and letting every man take care of himself is tragic and absurd when millions are unable to get jobs and food. In such an emergency there must be swift and energetic action. Even if mistakes are sometimes made, it is preferable to do something rather than to sit idly and prate in superior tones about the danger of a dole and the moral deterioration caused when the Government attempts to assure its citizens of the material needs of every human being.

I am one of an increasing number believing that far more progressive steps than yet have been taken must be taken in order to give our people prosperity and economic security. I take it that Dr. Tugwell favors trying moderate changes but has the intellectual honesty, courage and idealism candidly to urge going further if the welfare of the American people requires it.

We should be thankful that we have such a man in high office. The Nation needs more Dr. Tugwells.

SMUGGLED MERCHANDISE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (H.J.Res. 322) to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes.

This bill was reported by the Committee on Ways and Means, and the distinguished gentleman from Massachusetts [Mr. TREADWAY], the ranking minority member of the committee, is agreeable to this action.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

The Clerk read as follows:

*Resolved, etc., That where under existing law any forfeiture condemnation or abandonment of watches, watch movements, or parts thereof for violation of the customs laws is declared by the collector of customs, or any forfeiture is decreed by any court, the Secretary of the Treasury is hereby authorized to place the same with the departments or bureaus of the Federal Government for experimental, scientific, or educational purposes, but not for sale or personal use; and in the event of such merchandise not being required or desired by the Federal Government, it shall be destroyed, unless the Secretary of the Treasury shall find and determine that the sale thereof would not bring the merchandise into competition with similar products manufactured in the United States: *Provided*, That if such merchandise contains any recoverable precious metal or precious stones, such precious metal and/or precious stones shall be sold at public auction, or such metal or precious stones reclaimed to the profit of the United States only, in the discretion of the Secretary of the Treasury: *And provided further*, That the payment of compensation to informers as now provided by law shall, in the case of any merchandise which is placed with the Federal Government or is destroyed, be paid in the same manner and under the same conditions as now provided by law, except that such compensation shall be calculated on the basis of 25 percent of the dutiable value of such or similar merchandise as found by the United States appraiser, but such compensation shall not exceed \$50,000 in any case.*

SEC. 2. In addition to the powers now conferred upon him by law, the Secretary of the Treasury is hereby authorized and empowered, on and after July 1, 1934, to require each watch movement, complete or incomplete, imported into the United States, and its immediate casing, container, wrapping, and package, to be marked with the name of the foreign manufacturer and his consecutive number, or the name of the importer together with the manufacturer's consecutive number and name or trade mark, in such manner as he may by regulation prescribe.

With the following committee amendments:

Page 1, line 5, strike out the words "for violation of" and insert the word "under";

Page 2, line 14, after the word "any", insert the word "such";

Page 2, line 21, strike out all of section 2.

Mr. TREADWAY. Mr. Speaker, this measure has the unanimous support of the Committee on Ways and Means. It is purely an administrative measure, to bring about better protection against the smuggling of watch parts. It is well recognized that anything as small as watch parts can very easily be smuggled into the country. It has been carried on to a very great extent, much to the detriment of the manufacturers of watches and watch parts in the United States.

The statistics on page 2 of the committee report show the quantities that have been brought in, and also the fact that there are frequent occasions where advertisements are published showing these parts for sale.

There was a suggestion that each individual part should be marked by the manufacturer. That was contained in section 2 and was so impractical, many of the parts being so small that they could not be marked so as to be identified, that the committee saw fit to strike out section 2 of the bill.

I will say further, and in closing, that the manufacturers of watches in this country are entirely favorable to and are asking for this legislation. There has been such a tremendous amount of importation of watches and watch parts that the watch manufacturers of this country, where the best watches are made, are finding it more difficult to keep out of the red. Therefore, they are asking for this further effort to care for their interest.

I trust there will be no opposition to the prompt passage of the measure by the House.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. VINSON of Kentucky. Has the gentleman treated the situation that exists with reference to watches and watch parts which come into this country upon which the duty is not paid and are abandoned? The subcommittee was told that it amounted to a racket; that watches and watch parts would be shipped into this country and abandoned, the duty not paid, and then the consignment was sold at auction for much less than the amount of the duty.

Mr. TREADWAY. The gentleman from Kentucky is correct; and it is a racket. These watch parts and movements are brought in, possibly the jewels taken out of the watches

and the consignment admitted at a very much less rate of duty than they would be if the jewels were in place. It has been a continuous process for many years. When the last tax bill was under consideration this same subject was brought up before the Committee on Ways and Means and we had very extended hearings in an effort to protect the watch manufacturers of this country from the type of thing this bill seeks to correct.

Mr. VINSON of Kentucky. If the gentleman will yield further, Mr. Speaker, it was testified before our subcommittee that a consignment of watches and watch parts upon which the duty amounted to \$240,000 was sold at auction for \$95,000. In other words, they brought \$145,000 less than the duty; and some of the watches and watch parts were purchased by the shippers of the goods.

Mr. TREADWAY. That fact appears in the committee report, which the gentlemen have helped prepare.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETURN OF A SPEAKER'S MACE TO THE DOMINION OF CANADA

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 336, to authorize the return of a Speaker's mace to the Dominion of Canada.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. McREYNOLDS. Mr. Speaker, I do not know of any better explanation than that given in a communication from the President submitted just recently. I will read it:

During the War of 1812 the mace of the Parliament of Upper Canada, or Ontario, was taken by United States forces at the time of the Battle of York, April 27, 1813. That mace, which had been the symbol of legislative authority at York (now Toronto) since 1792, has been preserved in the United States Naval Academy at Annapolis.

On July 4, 1934, there is to be unveiled in Toronto a memorial tablet erected by the United States Daughters of 1812 to the memory of General Pike and others of the United States forces who were killed in action. The mayor and council of Toronto are providing the site for the memorial.

The suggestion has been made that it would be a gracious act for the United States to return this historic mace to Canada at the time of the unveiling of the tablet.

The mace is a token of representative government, established at York nearly a century and a half ago. It symbolizes the orderly rule of such government in Canada, continuing from that day to this.

Since the agreement of 1817 the two countries have by common accord maintained no hostile armaments on either side of their boundary; and every passing year cements the peace and friendship between the peoples of Canada and the United States.

I heartily recommend to the favorable consideration of the Congress the enactment of a joint resolution authorizing the return of the mace to the Canadian Government.

Mr. BLANTON. Does not the gentleman from Tennessee think that all these little historic trinkets ought to be kept as mementoes of the occasions?

Mr. McREYNOLDS. The gentleman can object to the bill, if he so desires.

Mr. BLANTON. I shall not object.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. CELLER. I am in favor of the resolution; and I think most of the Members are in favor of it; but has the gentleman any recollection of England ever uttering any word of expiation for setting flames to this Capitol in the War of 1812?

Mr. McREYNOLDS. I have not.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. DONDERO. Is it not true that for more than 100 years the two nations, Canada and the United States, have maintained friendly relations over a boundary line more than 3,000 miles in extent without a gun, without a fort, or without a suspicion?

Mr. McREYNOLDS. The gentleman is correct.

Mr. DONDERO. And the return of this mace will be an act which will continue the friendly relations between the two Governments?

Mr. McREYNOLDS. The gentleman is stating exactly what I have read from the President's message.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to substitute Senate Joint Resolution 221 for the House joint resolution.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Authorizing the President to return the mace of the Parliament of upper Canada to the Canadian Government

Whereas the mace of the Parliament of upper Canada, or Ontario, has been the symbol of legislative authority at York (now Toronto) since 1792; and

Whereas the mace then in use was taken at the Battle of York, April 27, 1813, by the United States forces and since has been preserved in the United States Naval Academy at Annapolis; and

Whereas on July 4, 1934, there is to be unveiled in Toronto a memorial tablet erected by the United States Daughters of 1812 to the memory of General Pike and others of the United States forces who were killed in action: Now, therefore, be it

Resolved, etc., That the President be, and he is hereby, authorized to return said mace to the Canadian Government in token of the mutual friendship and good will existing between the people of the United States and those of Canada.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution was laid on the table.

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules I call up House Joint Resolution No. 265, providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, etc., That there is hereby established a commission, to be known as the "United States Constitution Sesquicentennial Commission" (hereinafter referred to as the "Commission") for the celebration of the one hundred and fiftieth anniversary of the formation of the Constitution, and to be composed of 18 commissioners, as follows: The President of the United States; the President of the Senate and the Speaker of the House of Representatives, ex officio; 5 persons to be appointed by the President of the United States; 5 Senators to be appointed by the President of the Senate; and 5 Representatives by the Speaker of the House of Representatives.

Sec. 2. The commissioners shall receive no compensation for their services but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties out of the amount appropriated.

Sec. 3. The Commission shall select a chairman and appoint a director, who shall appoint, with the approval of the Commission, such assistants and subordinates as he deems necessary.

Sec. 4. That it shall be the duty of the commissioners, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the adequate celebration of the sesquicentennial anniversary, and to give due and proper consideration to any plan or plans which may be submitted to them; and to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions, or by bodies created under appointment by the Governors of the respective States, and by representative civic bodies.

Sec. 5. That the Commission shall, on or before the 4th day of February 1935, make a report to the Congress, in order that enabling legislation may be enacted.

Sec. 6. That the Commission hereby created shall expire December 31, 1939.

Sec. 7. That there is hereby authorized to be appropriated the sum of \$20,000 to be expended by the Commission for the purposes of carrying out the provisions of this resolution.

Sec. 8. That the Commission may receive from any source contributions to aid in carrying out the general purpose of this resolution, but the same shall be expended and accounted for in the same manner as any appropriation which may be made under authority of this act.

With the following committee amendments:

On page 3, strike out all of lines 6 to 9, inclusive.

On page 3, line 10, strike out the figure "8" and insert in lieu thereof the figure "7."

Mr. BLANTON. Mr. Speaker, I reserve a point of order on the resolution.

Mr. BANKHEAD. Will the gentleman from Pennsylvania [Mr. RANSLEY] yield some of his time?

Mr. RANSLEY. Will the gentleman explain the bill, or shall we go on?

Mr. BANKHEAD. I would prefer that the gentleman yield to the gentleman from Pennsylvania [Mr. BECK] to explain the purpose of the legislation.

Mr. RANSLEY. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. BECK] such time as he may desire.

Mr. BECK. Mr. Speaker, this is a bill in which I have been interested from the time that I first became a Member of Congress. When I entered the Congress 7 years ago I introduced a resolution substantially the same as that now before the House for its consideration. I introduced it in each successive Congress, but the time of the proposed celebration was then so far distant that it seemed inopportune to bring it up at that time; therefore, I have waited until the present Congress, when, in association with the gentleman from New York [Mr. BLOOM], we introduced the same resolution, but naturally under a different number because of the rule of this House that there cannot be two sponsors for any one resolution.

It seems to me unnecessary to dwell upon the value of having 3 years from now an appropriate celebration of the one hundred and fiftieth anniversary of that great day in American history when the Constitutional Convention completed its task and submitted the Constitution to the people of the United States. Apart from any other consideration these commemorations are of great educational value.

I remember the first of these historic celebrations because as a boy I witnessed the Centennial Exposition in Philadelphia in 1876, and I think it may be doubted whether any exposition gave a greater emphasis to the cultural growth of America as that modest exposition of 1876. It gave a new impetus to the patriotic spirit and the cultural growth of the American people. I participated in the one hundredth anniversary of the formulation of the Constitution in 1887, when Philadelphia was for nearly a week the host of the Nation. President Cleveland and his charming wife, the entire Supreme Court, the representatives of the diplomatic body, and the greater part of the American Congress met in Independence Square on September 17, 1887, to celebrate an event which next to the Declaration of Independence is probably the most important in our annals. The Declaration was an eloquent statement of the great objectives of a free government. The Constitution made them a reality. Therefore, for us to pass by unnoticed the one hundred and fiftieth anniversary would be a great mistake.

It is a debt we owe to the dead as a mere matter of gratitude. It is a duty we owe to the living and, above all, it is a greater duty that we owe to the unborn. We must transmit the heritage of constitutional liberty to those who are to follow us. To do so we must keep alive in the very soul of the American people the basic principles of the Constitution. They are not of a day, but for all time.

This bill does not propose, please observe, any definite plan or commit the Congress to any method of such celebration. It simply proposes that representatives appointed in the manner prescribed by the bill shall between now and February 1935 report to the Congress for its acceptance or for its rejection a plan for the adequate celebration of this important calendar day in our history. If the Congress, when their commission, if appointed, makes its report, is dissatisfied either with the character or the scope of the proposed celebration, the Congress may reject it.

Mr. BLANTON. Will the gentleman yield?

Mr. BECK. I yield to the gentleman from Texas.

Mr. BLANTON. I am just as much in favor of commemorating such events as the gentleman from Pennsylvania; and, incidentally I may say that I hope some day soon, before we adjourn, the gentleman from Pennsylvania will get the permission of this House to incorporate all of his most excellent speeches on the subject of the Constitution of the United States into a House document, because he has delivered some of the ablest speeches I have ever heard on that subject, and such a document would be most valuable.

But when we have 3 years' time to make preparation for this celebration, we can just as well put this off to a succeeding Congress.

We are thinking at this time about men without jobs and women and little children starving to death. We are thinking about rehabilitating our country. Why not keep these not so important matters, that are not urgent, out of the Congress, and these resolutions can be taken up later, in the next session.

Mr. BECK. I appreciate the gentleman's gracious and generous reference to myself. Neither a man nor a nation can live by bread alone. There are things of the spirit as well as for the body, and it is an important thing that this country should consider a plan now for such a celebration. When the Commission's report is adopted or modified in the next Congress, only 2 years will remain for the necessary preparation for an adequate and Nation-wide celebration.

The time to appoint a planning commission is not too far distant. What ought to be planned is a Nation-wide celebration. It may be very simple. It may be restricted to a joint celebration in Washington or to some kind of a celebration amounting to a day or 2 days in Philadelphia, the city of the Constitution; but in every city, in every hamlet, and at every crossroad, when the time comes to commemorate the completion of 150 years of history, there ought to be a recognition by the American people of what is, after all, their greatest heritage and their greatest achievement in statecraft. Such it is by the common verdict of the world.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for one other question?

Mr. BECK. Very well.

Mr. BLANTON. This bill carries, although stricken out by the Rules Committee, a provision for \$20,000—

Mr. BECK. No; it carries nothing.

Mr. BLANTON. The bill as it went to the Rules Committee carried \$20,000, and the committee struck it out because it did not have any jurisdiction.

Mr. BECK. It is stricken from the bill.

Mr. BLANTON. But it is still in the bill legislatively, though stricken with lines drawn through it, and it would go to the Senate, where the appropriation could be restored and the amount increased. The gentleman knows that \$20,000 will not be a drop in the bucket, but eventually there will be \$100,000 or \$200,000 appropriated before we get through with this proposition.

Mr. BECK. Very well.

Mr. BLANTON. Why start this great expense now—why not wait?

Mr. BECK. Very well; the House can decide the amount of the appropriation.

Mr. BLANTON. It is not going to reach that point, because I am going to make a point of order against the bill and kill it just as soon as the gentleman from Pennsylvania gets through, and I think that will stop it, because the bill is subject to a point of order.

Mr. BECK. Our colleague from New York [Mr. BLOOM] and I, who have collaborated in the submission of the resolution to the Congress, have no such ambitious plan as contemplates any large expenditure of money; in fact, the resolution contains a provision allowing for the receipt of gifts, and it does not follow that the entire expense may not be assumed by private means.

However, I was about to say, when my friend from Texas asked me to yield, we are going through a series of profound constitutional changes. Some of them are good and some may not be so good; but, be that as it may, when we come out of this depression we will feel like the mariner to whom Daniel Webster referred in the beginning of his great speech against Hayne—we will feel the necessity, when the clouds of this depression have passed, to take a new reckoning and to see how far the elements have driven us from the true course charted by the Constitution—and at that time, when all the pressure of the depression is over, a celebration of this character, in which the American people will calmly consider what their Constitution was and how far it is

necessary to adapt it to the changing conditions of the twentieth century, would be, in my judgment, of immeasurable value.

I have said so much, and I want to say just one personal word before I sit down, and if my time is up I hope I shall be given a few minutes extra time.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 5 more minutes.

Mr. BECK. I want to say something of a very personal character.

When the debates were on with respect to additional appropriations for the George Washington Bicentennial Commission, I confess on the spur of the moment I said some things that were unfair and invidious, not intentionally unfair. I was losing sight of what was really a very notable celebration and a great public service, in criticizing certain unimportant details. I missed the beauty of the forest in too meticulously examining some trees. Later when I came to write an additional chapter to a book that I had written, called "Our Wonderland of Bureaucracy", in an unfortunate moment, when I may not have been in a good humor, I did make some caustic observations in respect to certain minor details of the Washington Bicentennial. I paid full credit to the untiring zeal of the executive directors, but I criticized some details. This narrow criticism would have justified my generous colleague, Mr. BLOOM, in answering me in the same vein, because my references were partial, superficial, and misleading. However, he did not do it. His friendship stood the test, and he simply invited me to come up and see what the Bicentennial Commission had done in revivifying the knowledge of the American people in the immortal founder of the Republic, and I then, for the first time, became better acquainted with the scope, character, dignity, and the immeasurable value of that celebration, and I know we will all agree that its wonderful success is due, in very large measure, to the intelligent direction of it by the gentleman from New York [Mr. BLOOM]. [Applause.]

All this made me ashamed of what I had said, in good faith, but nevertheless upon insufficient information and possibly with a desire to be clever and witty. [Laughter.] While it was many months ago that my colleague from New York called attention to my unfair estimate that I had given of his long and uncompensated labor, I made up my mind then that the first time I could address the House when the subject was opportune I was going to publicly express my regret to the gentleman from New York for having superficially judged one of the most valuable educational works that this Congress ever entered upon and one that had a direction of such extraordinary energy and ability and such self-sacrificing devotion as that of the gentleman from New York.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield there?

Mr. BECK. Yes.

Mr. O'CONNOR. Does the gentleman know that the conduct of the George Washington Bicentennial Celebration yielded the Government a profit of \$1,000,000?

Mr. BECK. I did not know it. I knew it yielded a substantial profit, but it is enough to say that if it had cost the American people \$1,000,000 it would have been money well spent in reviving in the minds of a people, who characteristically live in the day, who are forgetful of yesterday and oblivious of tomorrow, to make them think of the noblest character that ever lived in the tide of time. [Applause.]

Having thus said "peccavi"—I have sinned—in the words of Hamlet to Laertes, I simply want to say to my good friend from New York:

Let my disclaiming from a purpos'd evil
Free me so far in your most generous thoughts,
That I have shot mine arrow o'er the house,
And hurt my brother.

[Applause.]

Mr. BLANTON. Mr. Speaker, approving of everything the distinguished gentleman from Pennsylvania [Mr. Beck] has said, I make the point of order against the bill that the

Committee on Rules is without authority to report to the House such a bill. Eventually it would cause the Congress to appropriate several hundred thousand dollars, and we have the next 3 years to think about this celebration; hence, in this time of stress and depression, when men, women, and little children are suffering for food, I think it would be unwise for us to pass such legislation at this time.

Mr. BANKHEAD. Mr. Speaker, if the gentleman from Texas insists on his point of order, candidly, I am not in a position to oppose it. But I should like to make a brief statement. It was the recollection of the Chairman of the Committee on Rules that when the resolution was reported out, it provided that points of order against the resolution would be waived. I find that that was not so. We had a great many rules coming out of the committee day after day, and unfortunately that was not included in this resolution. I guess I am responsible for it and accept the blame for that detail being omitted.

There is no opposition to the resolution, but if the gentleman from Texas insists, it will require only bringing in another rule waiving all points of order. The committee did provide for the striking out of the section of the resolution that carries the expense. If the gentleman from Texas insists on the point of order, I cannot successfully resist it.

Mr. BLANTON. Mr. Speaker, I am under oath to perform my duty as my conscience dictates. I am trying to save the Treasury of the United States this money, for eventually this bill would cause several hundred thousand dollars to be appropriated, and I make the point of order against the bill.

The SPEAKER pro tempore (Mr. Cox). The language in section 7 of the bill carries an authorization for an appropriation and destroys the privilege of the resolution. The point of order is sustained.

AMEND THE INLAND WATERWAYS CORPORATION ACT

Mr. BANKHEAD. Mr. Speaker, I call up the House Resolution 383.

The Clerk read the resolution as follows:

House Resolution 383

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2347, an act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended. After general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. MARTIN of Massachusetts. Does this relate to the bill introduced by the gentleman from Idaho [Mr. WHITE]?

Mr. BANKHEAD. Yes.

Mr. MARTIN of Massachusetts. We will help the gentleman out in the matter of time. We will not use any time on the rule on this side.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection?

Mr. TABER. I think we ought to have an explanation of the bill.

Mr. BANKHEAD. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union, for the consideration of the bill (S. 2347),

to amend the Inland Waterways Corporation Act, approved June 3, 1934, as amended.

The motion was agreed to; accordingly, the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. O'CONNOR in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (e) of section 3 of the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes", approved June 3, 1924, as amended, is amended by striking out after the word "Warrior" the words "River or the Mississippi River", and inserting in lieu thereof a comma and the words "Mississippi, Columbia, or Snake Rivers."

The CHAIRMAN. The gentleman from Oregon [Mr. MARTIN] is recognized for 15 minutes, and, without objection, the gentleman from New York [Mr. TABER] will be recognized in opposition.

There was no objection.

Mr. MARTIN of Oregon. Mr. Chairman, this is a Senate bill introduced by Senator BORAH, of Idaho, and passed by the Senate on the 23d of January 1934. It gives to the Columbia and Snake Rivers the same privileges of the Inland Waterways Act as apply to the Mississippi and Warrior Rivers. Indeed, we claim the same consideration, we think with modesty, that has been given the Mississippi and Warrior Rivers. All there is in the bill is to incorporate language in the Inland Waterways Act so that it will read "Mississippi, Columbia, or Snake Rivers." As it is today, under the Transportation Act, before we can get water rates in our section of the country we have to petition the Interstate Commerce Commission, but under the Inland Waterways Act, by a certificate of public utility and necessity, we can get immediate action.

Mr. ZIONCHECK. Why does the gentleman want a certificate of convenience and necessity, when we want competition?

Mr. MARTIN of Oregon. We have competition. This does not stifle competition at all. The rivers are open now to anybody who wants to use them.

Mr. ZIONCHECK. But when you require a certificate of convenience and necessity, then somebody, in order to put another barge or a boat on, will have to go before the Commission and prove that there is a public need.

Mr. MARTIN of Oregon. It does not stifle competition.

Mr. ZIONCHECK. But the gentleman is making a blind statement.

Mr. MARTIN of Oregon. I have only a few minutes here.

Mr. ZIONCHECK. But the gentleman should make an accurate statement.

Mr. MARTIN of Oregon. I decline to yield further, Mr. Chairman.

This measure would give to the farmers and producers of the Columbia and Snake Rivers districts the same privileges and benefits that are granted to the farmers and producers in the region served by the Mississippi and Warrior Rivers transportation lines. It undertakes nothing new. No new principles are involved. It means that if this provision benefits the people of the Mississippi and Warrior Basins, the same benefit should be extended to the people of the Columbia and the Snake. There is no purpose herein or as an aftermath hereto of setting up a Government-owned transportation system on the Columbia and the Snake.

There is no disposition here to stifle or repress competition but rather to make the water lines more effective in reaching the available crop.

There will be no difference in the matter of granting certificates of convenience and necessity. Legitimate needs will be covered in the Columbia-Snake Basin where transportation service for producers is offered the same as happens today in the Mississippi and Warrior Rivers service.

For instance, we have to pay 14 cents a bushel freight from Pendleton to Portland, a distance of only 200 miles—about the same rate that they have to pay from Minneapolis to New Orleans.

There is no local interest in the bill here.

Mr. ZIONCHECK. Except Portland.

Mr. MARTIN of Oregon. No; no local interests are involved. This is to help all those farmers and producers in the interior of Washington, Idaho, and Oregon.

Mr. ZIONCHECK. Are the railroad men in favor of this bill?

Mr. MARTIN of Oregon. I do not know. I decline to yield further.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Oregon. Yes.

Mr. CULKIN. The bill is intended to give relief from oppressive railroad rates?

Mr. MARTIN of Oregon. That is correct.

Mr. CULKIN. And they are more particularly oppressive in that section of the country than in any other part of the United States?

Mr. MARTIN of Oregon. That is correct. In the Mississippi and Warrior Rivers there is competitive service on the water. We would have competitive service on the Columbia and Snake under the provisions of this minor amendment, the same as they do in the Mississippi Valley.

Navigation is now possible on the Columbia and the Snake a portion of the year a distance of about 450 miles. Of this total distance, about 150 miles is on the Snake, 200 miles on the Columbia down to the Willamette River at Vancouver, and 100 miles on the Columbia from Vancouver to the sea.

The 150-mile reach on the Snake cannot be navigated the year around, but we are working on the engineers to make this service continuous. We are making important improvements on the Columbia to make the navigation there much better. We are starting up boat and barge service that will help the producers. We need the power to make the railroads grant through or connecting rates in conjunction with these water lines. That is all we seek. That is all this bill proposes.

Approximately 12,000,000 tons of commodities are shipped out of the entire region tributary to the navigable portions of the Columbia and Snake Rivers. We figure that at least 2,000,000, maybe two and one-half million tons, may be moved on this waterway when we get conditions further improved, establish proper facilities, and get connections with the rail and truck carriers as you have the same in the Mississippi territory.

Our wheat farmers in the inland empire penetrated by the Columbia and the Snake seek a foreign or water-borne market for at least 75 percent of their total production. This means that from forty to sixty million bushels grown by our people must be brought to tidewater. We have some of the highest rates for hauling this wheat, grown by at least 6,000 farmers, to be found on the American Continent. Using these waterways is the only power we can get to force these rates down. This bill will help in our tremendous struggle to save our farmers, our interior lumber mills, and others from a pitiful struggle for existence.

I believe that this House should give us the benefit of this minor amendment to existing laws. It is intended to help the whole people and not any special interests. It is in keeping with every principle of the new deal and the new order of things wherein we are struggling to save the people.

I repeat, all this bill does is to extend to the Columbia and Snake Rivers the present privileges given to the Mississippi and Warrior Rivers as regards transportation facilities.

Mr. ZIONCHECK. How much would it cost to dredge the Snake River?

Mr. MARTIN of Oregon. It will cost to improve the Columbia River from Celilo to the Snake River, a 7-foot channel, \$400,000.

Mr. ZIONCHECK. And when you come to the Snake River, how much will it cost to dredge it?

Mr. MARTIN of Oregon. They can operate boats now. It will cost \$2,000,000, but we are not asking for that.

Mr. ZIONCHECK. But as soon as you get this through, you will come and ask for the \$2,000,000. This is just laying the foundation for that expenditure.

Mr. MARTIN of Oregon. This is laying a foundation to reduce freight rates for farmers and lumber producers in the interior of the country.

Mr. ZIONCHECK. The times of the year they want to ship, the water is low.

Mr. MARTIN of Oregon. If by reducing these rates the producers use these rivers and their products go to river ports, it may militate against the gentleman's city. I hope so.

Mr. ZIONCHECK. Outside of the city interests, I am speaking of the expenditure of Federal money. It will involve the expenditure of five or six million dollars.

Mr. MARTIN of Oregon. Not at all. It will involve nothing.

Mr. ZIONCHECK. The gentleman just admitted that it will cost \$2,000,000 to dredge the Snake River. He is just laying the foundation for the \$2,000,000.

Mr. MARTIN of Oregon. We are laying the foundation for nothing but the public good. I reserve the remainder of my time.

Mr. TABER. I yield 3 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Chairman, when this bill originally came up in the House on the Consent Calendar I opposed it. I do not have any interest in the part of the State from which the gentleman from Oregon, General MARTIN, comes, but I do know what the Inland Waterways Corporation has done in my section of the country. They operate on the Mississippi River. They started there some years ago, with the taxpayers' money, and they gave competition to the railroad companies in our section all up and down the Mississippi River. They took on cargoes at loss rates, and they shipped them down the river with the aid of underpaid barge labor, putting hundreds of railroad men out of work. The only argument for this bill seems to be that the freight rates now on carrying wheat to the Pacific seaboard are too high, and that if Government money will give competition to the railroads in that section the freight rates may be brought down. I cannot understand why the farmers of that section and the shippers have not appealed to the Interstate Commerce Commission to bring their rates down to where they think they are fair rates; but I do not see why the Inland Waterways Corporation should get a certificate of convenience and necessity to lower freight rates. This would mean, in effect, a monopoly, because if any other waterway organization desires to compete, they will then have to likewise get a certificate of convenience, and you and I know they will not get it. They propose on these two rivers to allow the Inland Waterways Corporation to operate boats in competition with railroads and other forms of transportation, both land and water, financed by taxpayers' money. This Inland Waterways Corporation competes with private business that we are asked to subsidize to keep going by R.F.C. loans. We either should stop giving the railroads Government competition or stop loaning them money to keep them going after competition we create puts them on the rocks.

Mr. MARTIN of Oregon. That is not the purpose at all.

Mr. O'MALLEY. A certificate of convenience is a monopoly, because nobody else can get a certificate once a monopoly is entrenched. Why do we have to come here with a bill to give a corporation that has already cost the American people millions, that has been a downright failure, that has thrown hundreds of men out of work, a monopoly on the Snake and Columbia Rivers?

Mr. ZIONCHECK. Will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. ZIONCHECK. And did not the gentleman from Idaho state recently that they were actually operating on this river now; that they were actually hauling wheat?

Mr. O'MALLEY. I cannot say. The gentleman from Idaho did say that boats were hauling wheat on the river now; that is, on the lower river.

Mr. ZIONCHECK. Two hundred and fifty miles, up around Lewiston, Idaho.

Mr. O'MALLEY. The Inland Waterways Corporation in our section has thrown out of employment skilled, decently salaried men, caused a part of our unemployment problem, with taxpayers' money, and they have not done anything for our section of the country except to drain the Great

Lakes, which was the original excuse for authorizing the Corporation, not to help the farmer but to help the power companies get Lake Michigan water for their turbines.

I think this bill ought to be defeated.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, this bill has been stopped three times in this House, twice on the Consent Calendar, as I recall it. Why? Because it has no merit whatsoever. It is simply another attempt to give some of the plutocratic corporations a monopoly, an opportunity to farm the farmers of the Northwest. That is what has been going on in this country. This is simply another indication of what we are doing in this House in the closing days of the session, fiddling while the farmers' houses are burning. I will tell you what the farmers of this country want, and they want it now, before this Congress adjourns. They want the enactment of the Frazier bill or a similar bill. They want a moratorium. They want to stop the running of the money-lenders' strangling cord for another year. I am prepared to prove there are 3,000 mortgage foreclosures on American farms every day, yet we sit here and debate a bill to give special privilege to a monopoly under the guise that it is going to help the farmers of the Northwest. The only thing that will help the farmers is higher prices. The only measure that will help my farmers is higher prices, and the suspension of foreclosures, the suspension of confiscation of their farms. We have not done a single thing to stop the money lenders' greed. We have not done a single thing to stop the money lenders' legalized burglary, and taking over of these splendid American farms from the real knights of nature's nobility in this country, the men who have gone down close to the soil, who have produced the food that you eat and the clothes that you wear. We sit here and devote this valuable time to the passing of such a bill when we refuse to do anything to stop the bloody plundering of the money lenders.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. TRUAX. No.

Mr. MARTIN of Oregon. The gentleman does not know what he is talking about.

Mr. TRUAX. I would rather have that from better authority than the candidate for Governor of the State of Oregon, whom I want elected in his State.

Mr. MARTIN of Oregon. The gentleman does not understand a word of this bill.

Mr. TRUAX. I understand what the gentleman is trying to do.

Mr. MARTIN of Oregon. The gentleman has not the slightest conception of it.

Mr. TRUAX. The gentleman is not fooling me on that.

Mr. MARTIN of Oregon. The gentleman has never read it, and he does not know anything about it.

Mr. TRUAX. I know as much about it as the gentleman does about the economy bill.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. TABER. I wish to ask the gentleman from Oregon [Mr. MARTIN] two or three questions about this bill. Is not the effect of this bill simply this: It permits any carrier by water, on the Snake or Columbia Rivers, to apply to the Interstate Commerce Commission for a certificate of convenience and necessity?

Mr. MARTIN of Oregon. They cannot do that now. There are no joint rates. This simply gives joint water-and-rail rates. It gives the shippers the benefit of the rail-and-water rates, which they can get now only through a very circuitous arrangement.

Mr. TABER. It would not be impossible for shippers to take the initiative under this bill and ask for the Interstate Commerce Commission to have control over these rates?

Mr. MARTIN of Oregon. They could do it but it would be a complicated matter.

Mr. TABER. It would be impossible for them to do so under this bill, would it not?

Mr. MARTIN of Oregon. No; this simplifies it.

Mr. TABER. It simply permits those who are engaged in the business of conducting a common-carrier service on these rivers to make applications. Shippers are not taken care of.

Mr. MARTIN of Oregon. Shippers are taken care of by these reduced rates; that is the whole object of the bill.

Mr. TABER. But they cannot initiate anything.

Mr. MARTIN of Oregon. It is to give the farmers more money for their wheat and the lumber mills more money for their lumber by giving them reduced freight rates.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Oregon. I yield.

Mr. ZIONCHECK. In what way? Will the gentleman name one way in which they will benefit?

Mr. MARTIN of Oregon. Under the present Transportation Act they have to appeal to the Interstate Commerce Commission. Under the pending bill they appeal directly to the Inland Waterways Corporation.

Mr. ZIONCHECK. For a certificate of public convenience and necessity; and once a common carrier on the river is granted such a certificate, it has a virtual monopoly, for no other line can operate on the river without a certificate of public convenience and necessity.

Mr. MARTIN of Oregon. Others can get certificates, too.

Mr. ZIONCHECK. Not unless they make a positive showing that the present holder of the certificate is unable to transport all the goods and wheat offered to it at all times of the year.

Mr. MARTIN of Oregon. As a matter of fact, they are using boats on the lower reaches of the river; wheat is being shipped out by water. We want to extend this service farther up the river.

Mr. ZIONCHECK. Extend it into Idaho.

Mr. MARTIN of Oregon. We want to extend it many miles farther up the Colorado and Snake so wheat can be shipped down to Portland.

Mr. ZIONCHECK. Because they will get cheaper rates; is that the idea?

Mr. MARTIN of Oregon. This is a bill to aid the farmers in eastern Oregon and eastern Washington. Those farmers are crying out for this relief.

Mr. ZIONCHECK. The Government is now subsidizing the railroads. This will be a detriment to the railroads. We will be faced with the anomalous situation of the Government pouring millions of dollars into the railroads to keep them going, while at the same time the Government is spending other millions of dollars to improve navigation on the rivers to provide competition to the railroads.

Mr. MARTIN of Oregon. We want to take advantage of what God gave us—the Columbia River and the Snake River—and give the farmers the benefit of the reduced rates.

Mr. TABER. Mr. Chairman, it seems to me that this is the situation: There are at the present time boats operating on these rivers, carrying grain and other farm products. The only ones who are in a position to apply for Interstate Commerce Commission regulation of these boats on the rivers, if this bill is passed, would be those common carriers engaged in carrying merchandise and freight. The shipper would have no right to initiate that sort of thing.

Frankly, I cannot see where this fits into the situation. I would be glad to have the proponents of the bill tell the House where it does. I cannot see it.

Mr. Chairman, I reserve the balance of my time.

Mr. MARTIN of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, I think I can make this proposition clear in a few minutes. This is a bill of Mr. White, one of the two Members from Idaho, Mr. White and Mr. Coffin. They are on the road to Idaho now, one never to return, and we are trying our best to pass this bill for them.

The only object in the bill is to afford an opportunity to make joint rates with trucks and barges on the Snake and

Columbia Rivers so that the trucks may bring the wheat and freight to the river on a through joint water and truck rate.

No part of the United States has ever paid the high freight rates that this Snake and Columbia Rivers country is now paying. Freight rates in the inland empire have often been higher than the value of the wheat to the farmer. From my farm, 300 miles from tidewater, we are paying a freight rate today of almost 15 cents a bushel. Back in the days when we were shipping so much American wheat abroad we paid only 9 cents. The present rate is almost double that rate.

Now, we are trying to use the river. Boats operate from The Dalles to Portland, 100 miles, and we are just opening another link to Umatilla, which adds another 120 miles of navigation up the Columbia. The \$400,000 that has been allotted by the Committee on Rivers and Harbors would blow out rocks and make the river navigable with a 7-foot channel to Lewiston, nearly 400 miles from tidewater. This bill will make it possible for the barge men on the river to make contracts with their truckmen to bring in wheat and freight from the country back from the river so that it could be shipped to tidewater on a through rate. The object is to bring freight rates down. No portion of the United States has ever paid the terrific high freight rates that that interior country has paid for 50 years. We want to force the freight rates down.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. O'MALLEY. Admitting that the freight rates may be high and that the Interstate Commerce Commission has not given rates that are proper, if the railroads are put out of business they will come to Congress asking money to help them out.

Mr. PIERCE. That is another matter.

Mr. O'MALLEY. With one hand we give, while with the other hand we take.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2½ minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, the United States is suffering at the present time from a surplus of transportation. It seems to me peculiar that this Congress is being asked year after year to subsidize additional methods of transportation in this country. This does not apply particularly to the Columbia River or to the Snake River, but it does apply to a large part of this inland waterway transportation system.

It is said that this is a cheaper kind of transportation. How is it cheaper? A railroad has to buy its right-of-way, generally speaking; it has to build and maintain its tracks; it has to pay taxes on that right-of-way. I venture to say that in the districts of nearly all gentlemen on this floor the railroads are the largest taxpayers.

For this inland water system, the so-called "cheap transportation method", the Government supplies the right-of-way, furnishes and maintains the tracks, and levies no tax for the use of that transportation system. Before the Committee on Rivers and Harbors, it has been said again and again that the people advocating inland waterways transportation had declined to cooperate in working out some method of taxation on a tonnage basis which would repay the Government to a small degree for the service which it renders to the boats and for the purpose of amortizing these expenditures. These boats and barges want all of this service free of charge.

A few years ago the railroads of the United States employed 1,750,000 persons. Within the last few years they have gone down to less than 1,000,000. They have now, I believe, about 1,000,000 persons employed. One of the jobs that this Congress should seriously consider during the few remaining days of this session, or the next session, is legislation affecting these 1,750,000 railroad employees. Let us not stultify ourselves by adding more transportation systems in this country when those now existing cannot make their own way. Let us not create more water transporta-

tion systems to compete with transportation systems that are now not able to conduct their businesses on a paying basis for want of patronage.

[Here the gavel fell.]

Mr. MARTIN of Oregon. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. THOMPSON].

Mr. THOMPSON of Illinois. Mr. Chairman, I have no particular interest in this bill, but it appears to me as though the Members do not understand it. All this bill does is to extend the effect of the Transportation Act of 1924 to the Columbia and the Snake Rivers, permitting the barge lines, whether they are owned or operated by the Government or individuals, to apply to the Interstate Commerce Commission for a certificate of necessity. Under this arrangement the Interstate Commerce Commission can order the rail and water carriers to make joint through rates which will accrue to the benefit of the shippers in that area. We have the same thing on the Mississippi and Warrior Rivers, and it is only fair to extend this privilege to these other two rivers.

[Here the gavel fell.]

Mr. MARTIN of Oregon. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this bill is so simple that I am astonished at all the hubbub that has been raised. This is not a demand for the appropriation of a single dollar. It is simply an effort through this bill to have the same law that now applies to the Mississippi River applied to the Columbia and Snake Rivers, enabling those oppressed wheat farmers and lumber manufacturers in what we call the inland empire by the use of railroads, trucks, and barges to get greatly reduced freight rates and save that country.

There has been a lot of talk here about the improvement of these rivers ruining the railroads. It has been proven that every development of transportation on the Mississippi River has improved the condition of the railroads. The freight handled by these barges is a low-grade freight that the railroads do not get very much profit out of, but by the increased population and business of the territory, the freight which the railroads haul at a profit more than makes up the loss of hauling these heavy commodities.

Mr. CULKIN. Will the gentleman yield?

Mr. MARTIN of Oregon. I yield to the gentleman from New York.

Mr. CULKIN. Is it not a fact that the rate from the Mesaba Range to Cleveland, Ohio, and Pittsburgh, Pa., via the cheap transportation facilities by water was what made those two cities possible?

Mr. MARTIN of Oregon. It certainly is.

Mr. CULKIN. And added greatly to the income of the railroads serving those two cities?

Mr. MARTIN of Oregon. It is. It is the most shortsighted, narrow policy to talk about these barges and this cheap water transportation ruining the railroads. It does no such thing. It improves the railroads and improves the traffic of the railroads.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That subdivision (e) of section 3 of the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes", approved June 3, 1924, as amended, is amended by striking out after the word "Warrior" the words "River or the Mississippi River" and inserting in lieu thereof a comma and the words "Mississippi, Columbia, or Snake Rivers."

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I objected to this bill on two different occasions. At the time I objected I made my objection on a very general basis because of the feature of the issuance of a certificate of public convenience and necessity that this bill requires. I know the experience that we have had in the State of Washington with truck and bus lines with certificates of public convenience and necessity. They have caused

us a great deal of trouble, and instead of creating competition they have actually created a monopoly of the worst kind.

Personally, coming from the city of Seattle, I am interested in grain shipments which go down the Snake River, then down the Columbia, and on to Portland. There is always competition between the cities of Seattle and Portland. But I do not direct my remarks to the particular local situation. This matter came up rather quickly this afternoon without notice and I did not have time to go to my office to get my notes.

There is at present a certain long portion of the Snake River which is not navigable except at times of high water, which is only 1 or 2 months of the year. The real underlying purpose of this bill is to lay a foundation to come to Congress a little later for an appropriation of two or three or five million dollars to dredge out this channel, just like the Chicago River, and this will be done under the same inland waterway act. That is the underlying purpose.

For the time being, so far as grain is concerned and so far as the rates down the Columbia River are concerned, the farmers obtain rates to Portland less than the railroads charge. This is a proposition to get up into Idaho and later on dredge that channel so they can go down to Portland all times of the year. As the river is now operated, there is real competition and any barge company or any boat company can go in there and say, "We will haul the grain of the farmers here for less money," but under this act you will provide that one company can come in and get a certificate of public convenience and necessity and before anyone else can go in there they will have to go through extensive and expensive hearings before commissions and before the courts and make a showing that there is a real, absolute, dire need upon the part of the farmers for another barge line or another boat line.

Mr. THOMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ZIONCHECK. Yes.

Mr. THOMPSON of Illinois. Then, under the present system of these boats going up and down the river, the benefit of low transportation only accrues to those industries and those farmers and those citizens who have access to the river itself.

Mr. ZIONCHECK. And also those that have an opportunity to put it on trucks or rail and haul it to the river.

Mr. THOMPSON of Illinois. If this bill becomes a law, of course, the industries and farmers in the so-called "hinterland" back of the river will get their share of the benefits.

Mr. ZIONCHECK. Does the gentleman mean that the Government is going to dig canals into the hinterland so they can get to the river?

Mr. THOMPSON of Illinois. Absolutely not, because this bill puts the Snake and the Columbia Rivers under the Transportation Act and compels the making of joint water and rail rates and fixes the division of that revenue per ton proportionately between the two carriers.

Mr. ZIONCHECK. But there is no one here who knows the circumstances who will not say that the rates upon the Columbia River, so far as barges are concerned, are lower than the railroad rates.

Mr. PIERCE. Does the gentleman know anything about those rates?

Mr. ZIONCHECK. I do.

Mr. PIERCE. The rates of the barges on the river? I pay the rates down there myself.

Mr. ZIONCHECK. Has the gentleman ever hauled on the river?

Mr. PIERCE. No; and nobody else from my country, because we cannot get down there.

Mr. ZIONCHECK. Other people do, and they make the statement, without contradiction, that the rates are lower.

Mr. PIERCE. There are no rates on the Columbia River except on the lower river.

Mr. ZIONCHECK. Everyone who has a barge can make whatever rates he wants, and that is the reason there are

no blanket rates; but the rates are cheaper and the people ship on the river who are anywhere near it.

Mr. PIERCE. That shows the gentleman does not know anything about it.

Mr. ZIONCHECK. I asked the gentleman the question, and it shows he does not know anything about it. I admit that I have a local interest—that is one reason for my being here—namely, to represent the First Congressional District of the State of Washington. But I am satisfied that if the gentleman from Idaho [Mr. WHITE], who sponsors this bill, were here and the membership of this House knew all the facts, that this bill would not pass as it will so easily today. I sorely regret being in a position to be compelled to resist in his absence on such a sad mission of duty.

Mr. PIERCE. Mr. Chairman, I move to strike out the last two words.

This is certainly a tempest in a teapot, especially when the celebrated man from Ohio who aspires to the Senate makes the talk he did here a few moments ago on a subject he knows nothing about.

Several who have spoken are not particularly interested in any cheap rates for the farmers or the lumberman to bring their freight down the Columbia and down the Snake Rivers. The Snake River is not navigable now. The Columbia River is navigable with barges from Portland to The Dalles, 100 miles. They are attempting now to put on a barge line this year for 100 miles beyond The Dalles to Umatilla Landing.

The big body of the wheat raised in the Pacific Northwest, that part of the United States that really has a crop this year, raising nearly 100,000,000 bushels in a good year, is raised further up the river than The Dalles, although a part of it is raised at The Dalles. This is an attempt to give us a lower freight rate. We want competing rates on this freight, the railroads and the trucks and barges.

Near Lewiston there is one of the biggest forests of ponderosa pine in the United States. Freight rates are so high that it is not profitable to cut the ripe trees.

If a joint freight rate could be made for trucks and barges, and this river opened up by dredging and blowing out rock at a cost of \$400,000, according to the engineers, we believe it would reduce freight at least to the rate charged before the World War.

Mr. SABATH. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. SABATH. All you aim to accomplish is to reduce the rate on wheat so as to help the farmer secure a low rate, as well as manufactured lumber?

Mr. PIERCE. Absolutely. We have proved time and again in the hearings before the Interstate Commerce Commission that we have the highest freight rates in the United States. We pay three times as much as they do in Canada over a similar distance and six times as much as they pay in many places in Missouri and Iowa. We are simply owned and held up by the bondholders of the railroad.

Mr. PEYSER. You want the same privilege on the Snake and Columbia Rivers as is enjoyed by the Warrior and Mississippi Rivers?

Mr. PIERCE. Yes.

Mr. BLANTON. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. BLANTON. Is this valuable timber that would come down, if this plan were carried out, owned by private individuals?

Mr. PIERCE. Most of it is forest reserves owned by the Government.

Mr. BLANTON. Is it more valuable to the Government in the state it now is or as lumber?

Mr. PIERCE. The forest reserves have much ripe timber, and that ripe timber should be cut out before it is killed by beetles and lost.

Mr. BLANTON. I am for the sane development of every water course in the United States. Our people are benefited by it.

Mr. PIERCE. That is just what we want.

Mr. BIERMANN. Mr. Chairman, I move to strike out the word "Mississippi" in line 2, page 2.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. BIERMANN. Mr. Chairman, I want to use my 5 minutes to talk about what I consider one of the greatest criminal follies that has been perpetrated on the American people in the last few months. This bill refers to the Columbia River and the Snake River. I refer to the upper Mississippi from St. Louis to St. Paul. Along this stretch of the Mississippi River we have a railroad on each side. One of these railroads is in the hands of a receiver and the other is barely making its way. We have theoretically a 6-foot channel in the upper Mississippi, on which to haul wheat and corn and other farm products, to give low freight rates to the farmer. I never knew of a farmer in my district who shipped a bushel of wheat or a pound of pork or a head of cattle on the upper Mississippi 6-foot channel.

Mr. PIERCE. But has not it affected the freight rate? You do not have to ship over the line. The railroads cut their rate.

Mr. BIERMANN. The farmers do not say so.

Mr. PIERCE. Why, sure. As quick as we commenced to ship wheat from The Dalles by boat, the railroad lines cut their rates almost half in two.

Mr. BIERMANN. The combined rate by rail and water today on the upper Mississippi River is 80 percent of the rail rate, so that the farmer theoretically saves 20 percent and he does not use it.

Mr. PIERCE. Sure, because the railroads cut theirs down.

Mr. BIERMANN. But the combined rate is still 20 percent under what the railroads charge, and the farmer does not use it.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Yes.

Mr. TRUAX. We have been talking about reducing the freight and transportation rates for 10 years to relieve the farmer, and he has gone deeper into the hole every year. I do not think this difference of 8 cents a bushel is going to make or break the farmer, but it will probably give a monopoly to a private corporation on those rivers.

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Yes.

Mr. LLOYD. Does the gentleman know that the freight rate from Puget Sound to Des Moines for 1,000 feet of lumber is \$22.44, and that the freight rate from New Orleans to Des Moines, Iowa, a third of the distance, is only 75 cents per thousand as against \$22.44?

Mr. BIERMANN. I am not aware of that, but the second low rate the gentleman speaks of can be very largely by water.

Mr. LLOYD. The reason for that is water competition on the Mississippi River.

Mr. PIERCE. And that is what we want.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Yes.

Mr. CULKIN. I am going to take the liberty of putting to the gentleman a hypothetical question: Assuming that unless these people in this locality, numbering about 6,000, get relief from these so-called "oppressive" freight rates, that they will have to move out of the country, then is not the gentleman in favor of this relief?

Mr. BIERMANN. But I am not talking about the Columbia and the Snake Rivers.

Mr. CULKIN. I know; but is not that true? Assuming the rates are so oppressive that these farmers must move out and make homes elsewhere, should not they have relief under this bill, despite any demagoguery that is allowed here?

Mr. BIERMANN. But I want to say a word in regard to the upper Mississippi River Channel. About 35 years ago the mental ancestors of the people who now propose a 9-foot channel, proposed a 4-foot channel, and the Government dumped money into the Mississippi for the 4-foot channel. It was not a success. They later proposed a 6-foot channel, which we are now supposed to have, and they dumped other millions of money into that. The 6-foot

channel is not a success, and now they propose a 9-foot channel. At the last session of Congress the Rivers and Harbors Committee considered the proposition of spending \$11,600,000 on the 9-foot channel and did not even report it out, but Mr. Ickes puts thirty-three and one-half million dollars as an allotment in that project for which Congress had declined to appropriate \$11,600,000.

Mr. BANKHEAD. Is the gentleman offering this amendment as a pro forma amendment?

Mr. BIERMANN. I offered the amendment as a pro forma amendment and now ask to withdraw it.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. O'CONNOR, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2347, and that under House Resolution 382 he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. ZIONCHECK and Mr. TRUAX) there were—ayes 61, noes 19.

Mr. TRUAX. Mr. Speaker, I make the point of order that there is no quorum present and challenge the vote on that account.

The SPEAKER. Evidently there is no quorum present. This is an automatic call. The Clerk will call the roll.

The question was taken; and there were—yeas 220, nays 93, not voting 116.

[Roll No. 187]
YEAS—220

Adams	Disney	Kopplemann	Rogers, Okla.
Arens	Dockweiler	Kramer	Romjue
Arnold	Dondero	Lambeth	Rudd
Ayres, Kans.	Doughton	Lanham	Ruffin
Bankhead	Doxey	Lanzetta	Sabath
Beam	Drewry	Larrabee	Sanders, La.
Beiter	Driver	Lehr	Sanders, Tex.
Black	Duffey	Lemke	Sandlin
Bland	Duncan, Mo.	Lewis, Colo.	Schulte
Blanton	Dunn	Lewis, Md.	Sears
Boehne	Eagle	Lloyd	Secret
Boylan	Eaton	Lozier	Shallenberger
Brooks	Edmiston	Luce	Sirovich
Brown, Ga.	Ellenbogen	Lundeen	Sisson
Brown, Ky.	Ellzey, Miss.	McCormack	Smith, Va.
Brown, Mich.	Faddis	McDuffie	Smith, Wash.
Brunner	Farley	McFarlane	Smith, W. Va.
Buchanan	Flannagan	McGrath	Spence
Buck	Fletcher	McLeod	Steagall
Burch	Fuller	McReynolds	Strong, Tex.
Burke, Nebr.	Gasque	McSwain	Studley
Burnham	Gillette	Maloney, Conn.	Sutphin
Busby	Glover	Maloney, La.	Sweeney
Byrns	Goldsborough	Mansfield	Tarver
Caldwell	Granfield	Martin, Colo.	Taylor, Colo.
Cannon, Mo.	Gray	Martin, Oreg.	Taylor, S. C.
Carden, Ky.	Green	Mead	Terrell, Tex.
Carmichael	Greenway	Mitchell	Terry, Ark.
Carpenter, Nebr.	Greenwood	Monaghan, Mont.	Thom
Cartwright	Gregory	Montet	Thomason
Cavicchia	Griswold	Moran	Thompson, Ill.
Celler	Haines	Morehead	Thompson, Tex.
Chavez	Hancock, N. C.	Mott	Turner
Chalborne	Harlan	Murdock	Umstead
Cochran, Mo.	Hastings	Musselwhite	Underwood
Colden	Henney	O'Connell	Utterback
Cole	Hill, Ala.	O'Connor	Vinson, Ga.
Condon	Hill, Samuel B.	Oliver, Ala.	Vinson, Ky.
Connery	Howard	Oliver, N. Y.	Wallgren
Cooper, Tenn.	Hughes	Palmisano	Walter
Cox	Jacobsen	Parker	Warren
Cravens	Jenckes, Ind.	Patman	Wearin
Crosby	Johnson, Minn.	Peterson	Weaver
Cross, Tex.	Johnson, Okla.	Peyser	Weideman
Crowe	Johnson, Tex.	Pierce	Werner
Culkin	Johnson, W. Va.	Prall	West, Ohio
Cullen	Jones	Ramsay	West, Tex.
Cummings	Kahn	Ramspeck	Whitley
Darden	Kee	Randolph	Whittington
Dear	Kennedy, Md.	Rankin	Willcox
Delaney	Kennedy, N. Y.	Rayburn	Williams
DeRoven	Kennedy	Reilly	Willson
Dickinson	Kerr	Richards	Wolverton
Dies	Kieberg	Richardson	Woodrum
Dingell	Kocialkowski	Robinson	Young

NAYS—93

Adair	Eitse, Calif.	Knutson	Sinclair
Ayers, Mont.	Englebright	Kurtz	Stokes
Bakewell	Evans	Lambertson	Stubbs
Beck	Fish	McCarthy	Swick
Beedy	Focht	McFadden	Taber
Biermann	Foss	McGugin	Taylor, Tenn.
Blanchard	Foulkes	Mapes	Thomas
Boileau	Gavagan	Martin, Mass.	Tinkham
Boland	Gilchrist	May	Tobey
Britten	Gillespie	Meeks	Traeger
Carpenter, Kans.	Hancock, N. Y.	Merritt	Truax
Carter, Calif.	Hess	Moynihan, Ill.	Turpin
Carter, Wyo.	Higgins	O'Brien	Waldron
Castellow	Hildebrandt	O'Malley	Welch
Christianson	Hoeppel	Owen	Wigglesworth
Collins, Calif.	Hollister	Pettengill	Willford
Colmer	Hope	Polk	Wolcott
Cooper, Ohio	Imhoff	Powers	Wolfenden
Crowther	Jenkins, Ohio	Ransley	Wood, Mo.
Darrow	Keller	Reed, N. Y.	Woodruff
De Priest	Kelly, Pa.	Rogers, Mass.	Zioncheck
Ditter	Kinzer	Schaefer	
Dobbins	Kloeb	Schuetz	
Dowell	Kniffin	Shannon	

NOT VOTING—116

Abernethy	Cornling	Healey	Parks
Allen	Crosser, Ohio	Hill, Knute	Parsons
Allgood	Crump	Hoidale	Peavey
Andrew, Mass.	Deen	Holmes	Perkins
Andrews, N. Y.	Dickstein	Huddleston	Plumley
Auf der Heide	Dirksen	James	Reece
Bacharach	Douglass	Jeffers	Reid, Ill.
Bacon	Doutrich	Kelly, Ill.	Rich
Bailey	Durgan, Ind.	Kvale	Robertson
Berlin	Edmonds	Lamneck	Rogers, N. H.
Bloom	Eicher	Lea, Calif.	Sadowski
Bolton	Fernandez	Lee, Mo.	Scrugham
Brennan	Fiesinger	Lehlbach	Seger
Browning	Fitzgibbons	Lesinski	Shoemaker
Buckbee	Fitzpatrick	Lindsay	Simpson
Bulwinkle	Ford	Ludlow	Snell
Burke, Calif.	Frear	McClintic	Snyder
Cady	Frey	McKeown	Somers, N. Y.
Cannon, Wis.	Fulmer	McLean	Stalker
Carley, N. Y.	Gambrill	McMillan	Strong, Pa.
Cary	Gifford	Marland	Sullivan
Chapman	Goodwin	Marshall	Summers, Tex.
Chase	Goss	Millard	Swank
Church	Griffin	Miller	Thurston
Clark, N. C.	Guyer	Milligan	Treadway
Clarke, N. Y.	Hamilton	Montague	Wadsworth
Cochran, Pa.	Hart	Muldowney	White
Collins, Miss.	Harter	Nesbit	Withrow
Connolly	Hartley	Norton	Wood, Ga.

So the bill was passed.

The Clerk announced the following additional general pairs:

Mr. Chapman with Mr. Marshall.
Mr. Knute Hill with Mr. Frear.
Mr. Milligan with Mr. Allen.
Mr. Bloom with Mr. Guyer.
Mr. Crosser with Mr. Connolly.
Mr. Swank with Mr. Lehlbach.
Mr. Fiesinger with Mr. Rich.
Mr. Kelly of Illinois with Mr. Treadway.
Mr. McClintic with Mr. Simpson.
Mr. Gambrill with Mr. Muldowney.
Mr. Parsons with Mr. Andrew of Massachusetts.
Mr. Montague with Mr. Goodwin.
Mr. Bulwinkle with Mr. Reece.
Mr. Clark of North Carolina with Mr. Withrow.
Mr. Fitzpatrick with Mr. Perkins.
Mr. McMillan with Mr. McLean.
Mr. Fulmer with Mr. Strong of Pennsylvania.
Mr. Lamneck with Mr. Hartley.
Mr. Crump with Mrs. Clarke of New York.
Mr. Miller with Mr. Edmonds.
Mr. Wood of Georgia with Mr. Holmes.
Mr. Hamilton with Mr. Shoemaker.
Mr. Cannon of Wisconsin with Mr. Kvale.
Mr. Cady with Mr. Marland.
Mr. Snyder with Mr. Dickstein.
Mr. Eicher with Mr. Sadowski.
Mr. White with Mr. Hart.
Mr. Church with Mr. Hoidale.
Mr. Auf der Heide with Mr. Nesbit.

Mr. WOLVERTON changed from "no" to "aye."

Mr. CARTER of California changed from "aye" to "no."

Mr. WELCH changed from "aye" to "no."

Mr. ADAIR changed from "aye" to "no."

Mr. BYRNS. Mr. Speaker, the following subcommittee of the Committee on Interstate and Foreign Commerce, Messrs. LEA of California; CROSSER of Ohio; MILLIGAN, of Missouri; HOLMES, of Massachusetts; and REECE, of Tennessee, are engaged in hearings on the railroad pension bill, and for that reason they did not appear and answer to their names.

The result of the vote was announced as above recorded. A motion to reconsider the vote by which the bill was passed was laid on the table. The doors were opened.

LEGISLATION OF THE SEVENTY-THIRD CONGRESS

Mr. TURNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. TURNER. Mr. Speaker, our Nation has been financially sick for some time and our best physicians have been unable to fully diagnose the case or prescribe proper treatment for quick recovery.

There are many theories as to the cause of our trouble. Some say our Nation's illness was brought about by poor management by those in charge of the legislative and executive branches of government during the 12 years immediately prior to the election of President Roosevelt. Others say high protective-tariff rates, loss of foreign markets for our farm and manufactured products, excessive gambling in stocks and securities, scarcity of money in circulation, and so forth.

For our illness, generally known as the "depression", numerous remedies have been suggested, many remedial laws enacted by Congress, and billions of dollars appropriated for various purposes. The farmers, laborers, and industries have financially suffered; but the remedies proposed and put into operation have brought about much improvement, and it is generally believed our great country will soon be normal.

I represent 12 of the leading agricultural counties of middle Tennessee. Up to a few years ago the people living in these counties were prosperous, happy, and contented with their financial and economic conditions. The burdens falling upon their shoulders, such as high taxes, excessive rates of interest on borrowed money, low prices for their farm products and lands, largely due to 12 years of Republican misrule, cast a shadow of despair which at times was hard to endure. The farmers of my district, however, are courageous, determined, and hopeful, and are now rejoicing that the legislative machinery set in motion by our fearless President and the United States Congress for their relief has brought a ray of sunshine and renewed hope for a better day.

Presumably there is as much money in the country now as ever before, but it is not in circulation. Statistics show that 5 percent of the people own 95 percent of the wealth of the country. This unequal division of wealth is unfair and unjust. The money of the country has evidently drifted from the rural sections into the coffers of the big bankers and corporations. Money is power. Therefore, too much power through our former system and control of governmental affairs has been placed in the hands of the few, which has been used to crush and destroy the many.

When money is plentiful farm products and wages are higher, when scarce everything is low; therefore, laws should and will be enacted by Congress, in addition to the many beneficial acts of the Seventy-third Congress, that will cause a just and equitable proportion of swollen fortunes, hoarded money, and securities to flow back into the hands of the masses.

The economic upheaval of the country brought in its wake many heartaches to the farmers, laborers, and small business men. The financial burdens to these three groups have been almost unbearable. Without experience no one can correctly visualize their former condition. The market of the farmer had been taken away, his home mortgaged, and he had been forced to sell his farm products below cost of production, and in many instances his fertile acres had been taken away from him by the money changers turning him out and placing him in the great army of the unemployed. It follows, as does the night the day, that when the farmers are broke the manufacturers, merchants, laborers, and professional men likewise, sooner or later, go to the wall. Our chief concern, therefore, as Members of Congress should be to return the farmer to his former pros-

perity in the economic structure of our Government, because on his prosperity the whole world depends.

During the Seventy-third Congress I have given much time and thought to measures designed to better the financial condition of the farmer. I have consulted with and taken the advice of leading representatives of farm organizations and friends who were in a position to give beneficial information, and it has been a pleasure to join hands with other friends of the farmers in the Seventy-third Congress to give them more financial relief than any other Congress in the history of the Nation. But in my zeal to lend a helping hand to the farmers and laboring men of our country, I do not want it understood that I am against corporations and men of wealth who use their money for honest and legitimate purposes and for the promotion and best interests of mankind. Wealthy men who use their money for the promotion of railroads and other transportation facilities, build factories for the employment of idle labor, schools and colleges to educate the coming generations, do a wonderful work for their country and are entitled to a fair return on their investments. The farmer could not well succeed without means of transportation to carry his products to the various markets of the world. The laborer could not long survive in the large cities without factories to give him and his family employment and schools and colleges to educate his children. As Representatives I feel it is our duty to enact laws that will give all classes a square deal in their efforts to meet and comply with the many responsibilities of life.

Reports from various parts of the country indicate the President's program for relief is producing good results, but, in my opinion, we will not have permanent prosperity until we in some way open up foreign markets for farm and factory products. The Tariff Act which gives the President power to make reciprocal trade agreements with foreign nations will, no doubt, bring about the desired results.

Some 20 or 30 important measures were recommended by President Roosevelt and enacted into law by the Seventy-third Congress for the purpose of giving immediate relief and restoring permanent prosperity, a few of which I will mention briefly.

THE FARM MORTGAGE ACT

The purposes of this act were to create emergency legislation authorizing the President to set up a farm-credit association. Under this act the President has consolidated the activities of the Federal Farm Board and various other boards and bureaus set up by preceding administrations in their futile efforts to deal with the farm crisis and save the agricultural industry from bankruptcy. Authority was also conferred upon the President to expand credit, stimulate prices of farm products, increase the currency in circulation, and to take such other steps as might be deemed necessary to restore agriculture to a basis of prosperity and end the orgy of bankruptcy that has swept away the homes and other property of millions of farm families. The sum of \$200,000,000 was provided for additional farm credits, and more far-reaching in its effect will be the \$2,000,000,000 in bonds, guaranteed by the Government as to both principal and interest, with which farm mortgages may be refinanced at the low interest rate of 4½ percent to the farm owner, who is also given 15 years' time in which to amortize the mortgage. Although this act will give relief to thousands of distressed farmers, it has not and will not take care of all who may need help.

I supported this measure, but at the same time felt the interest rate on loans was entirely too high. I saw no reason why the Government should loan money to the big bankers, the railroads, and other big corporations for nothing, or a very low rate of interest, and deny the farmer, who needed help, the same accommodation.

THE TENNESSEE VALLEY AUTHORITY ACT

This act is for the purpose of further developing the great project begun by our beloved Democratic President, Woodrow Wilson, which for the past 12 years has been permitted to go to waste, and provides for the completion of Cove Creek

Dam in Anderson County, for the purpose of reducing fertilizer costs to the farmer and furnishing a yardstick for determining a fair and reasonable rate for electricity, bringing cheaper power to consumers of electricity throughout the entire country, and marks the dawn of a new day of electrification in rural as well as in urban localities.

I have advocated and worked for cheaper electric-power rates for the past 12 years. Many of you, I am sure, will recall my two speeches in Congress on the development of Muscle Shoals. Nature has given us great power sites on the Tennessee and other rivers of the Nation for the use and benefit of all the people and not to enrich a special few. Let us have cheap electric-power rates so that every home, be it ever so humble, may be made bright and cheerful.

In communities where electricity has been furnished by the Tennessee Valley Authority the price has been reduced to the consumer to one-third of former prices. In addition to dams now being constructed on the upper Tennessee I have been informed by the Tennessee Valley Authority that work will soon begin on the construction of dams on the lower Tennessee River at Picwick Landing and Aurora, Ky. This will be the beginning of a new era in this section of Tennessee and Kentucky. The construction of these two dams and the clearing of thousands of acres of land that will be overflowed will give lucrative employment to hundreds now out of work. A cheaper rate for electricity will lighten some of the drudgeries of home life and lift from the shoulders of the farmer and his wife some of the burdens they are carrying as they wend their way along the pathway of life. Let us have cheaper power so that we may have cheaper fertilizer to make richer and more productive our many acres of farm lands. The development of Muscle Shoals will not only give employment and markets to our citizens but will also utilize our fine phosphate and iron-ore deposits in many of the counties of my district and elsewhere.

The bill providing for the Muscle Shoals development was considered and recommended for passage by the Military Affairs Committee of which I am a member, and I am proud of the part I played in bringing this wonderful project to the direct relief of the people of my district and of the Nation.

INDUSTRIAL RECOVERY AND PUBLIC WORKS

As defined by President Roosevelt, the purposes of this act are (1) to obtain wide employment, (2) to shorten the working week, (3) to pay decent wages for the shorter week, (4) to prevent unfair competition, and (5) to prevent disastrous overproduction.

The main purpose of this act is to afford industry an opportunity to regulate itself through trade associations which it will set up, the Government dealing with each industry through the association organized within itself. This measure is defined as a partnership with industry rather than a measure to control industry and provides for a bond issue of \$3,300,000,000 to be retired at the rate of \$220,000,000 annually. It is estimated that this act has put over 3,000,000 unemployed back to work.

SECURITIES ACT

This act provides for Federal supervision of interstate traffic in investment securities. It is designed to protect the public against the flotation of stocks, bonds, or other securities of doubtful value, the sale of which in recent years has cost the public millions of dollars.

The act was not intended to serve the purposes of a blue-sky law or to determine what securities may be sold, but requires the company issuing the securities to file a statement of its condition when the securities are issued and to disclose how the proceeds of the sale are to be expended.

It also requires the prospectus used in connection with the sale of the securities to be based upon the registration statement of the company, giving to the public a correct statement of its condition, investment policy, practical and corporate set-up, and provides that those selling the securities can be sued for the recovery of any losses on stock bought from the company through misrepresentation or false statements of any kind. The act does not operate so

as to inflict penalties on any corporation selling stock in an honorable manner and applies only to those using dishonest and unfair means to sell to an unsuspecting public.

In view of the fact that the liability of the officers and directors of corporations has heretofore been restricted so that damages could not be recovered from a misrepresentation of facts, this law will have a wholesome effect on the future sale of securities and afford a much-needed protection to the public.

THE STOCK EXCHANGE ACT

This act is known as the "Federal Securities Exchange Act of 1934."

President Roosevelt in his message to Congress in March 1933, proposing legislation for Federal supervision of national traffic in investment securities, said:

This is but one step in our broad purpose of protecting investors and depositors. It should be followed by legislation relating to the better supervision of the purchase and sale of all property dealt with on exchanges.

After the passage of the Securities Act of May 27, 1933, he said:

This Congress has performed a useful service in regulating the investment business on the part of financial houses and in protecting the investing public in its acquisition of securities.

While exchanges for dealing in securities and commodities are of infinite value to our commercial and agricultural life, it should be our national policy to restrict as far as possible their use for purely speculative operations.

Excessive speculation has brought social and economic evils which have affected the security and prosperity of the entire country. During the boom period a vast and unhealthy volume of credit was put into the securities market to the deprivation of agriculture, commerce, and industry, which inflated security prices far above their real value. This feverish speculation accelerated the process of inflation until October 1929, when the present depression began.

The market value of all stocks listed on the New York Stock Exchange slumped from \$89,000,000,000 on September 1, 1929, to \$15,000,000,000 on July 1, 1932.

The act forbids the use of the mails or instrumentalities of interstate commerce to any securities exchange which is not registered with the Commission as a national securities exchange.

The act further aims to protect the public by preventing officers, directors, and principal stockholders of a corporation from speculating in the stock on the basis of information not available to others.

It is not intended by the bill to give the administrative authority the power to interfere with the management of corporations.

The bill provides that securities traded in upon exchanges must be registered with the Commission, and that a condition of such registration shall be the furnishing of complete information relative to the financial condition of the issue, which information must be kept up to date by adequate periodic reports.

The Commission is given full discretion to exempt securities from the operation of many sections of the act and to require that corporate reports shall contain such information as it deems necessary and appropriate to protect the public interest and investors.

LOANS TO INDUSTRY

At the present session the House passed a bill authorizing the Reconstruction Finance Corporation to make loans to any industrial or commercial business established prior to January 1, 1934, when credit at prevailing bank rates for loans of such type is not available at banks or the Federal Reserve bank of the district of the applicant, not to exceed \$300,000,000 in the aggregate amount, which shall have maturities not exceeding 5 years. The aggregate amount of loans to any one borrower shall not exceed \$100,000 and the authority to make such loans ends January 1, 1935.

There are many industries now seeking loans that are in a distressed condition and need assistance. Many are of

medium-sized type and are risks that commercial banks cannot with propriety take, though ultimately good. These loans will stimulate business, provide for additional employment, and will render material aid in the recovery program.

The act does not call for any additional appropriation, as the Reconstruction Finance Corporation is expected to allocate funds for this purpose that it may save from other items in its budget and from repayments over and above those estimated.

This appropriation, plus the capital loans authorized under section 12 of the act to be made by the Federal Reserve banks, is expected to be sufficient to care for the need for credits for capital funds supplementary to the usual or normal bank credits.

THE ECONOMY ACT

The passage of this act, plus the reorganization of many departments of the Government, was expected to save about \$1,000,000,000 during the current fiscal year. It temporarily reduced the salaries of Government employees 15 percent, but power was given the President to restore parts of the 15-percent cut as the prices of farm commodities and cost of living increased.

THE SOLDIER BONUS

Before I was elected, by act of Congress a soldier bonus was provided for, payable a few years in the future. I supported a bill for the immediate payment of this obligation. It created no new debt, but brought relief to thousands by paying a debt rather than by creating one, and, without extra cost, some relief has also been provided for worthy veterans. The payment of the bonus will not only benefit the soldiers but all the people, because it will put more money in circulation to stimulate the farmers and business enterprises of all kinds, especially in the rural sections.

VETERAN LEGISLATION

I favor a liberal compensation to the ex-service men who have been the Nation's defenders. We owe them a great debt of gratitude. The sick and wounded should be given proper treatment and medical attention in our hospitals.

I have supported legislation favorable to the ex-service men, and will continue to do so, especially those wounded in battle or suffering from disease as a result of exposure in service.

RESTORATION OF SALARIES

While considering H.R. 6663, an act making appropriations for executive offices and sundry independent executive bureaus, boards, and so forth, and restoring part of the pay cut to Government employees, Representative DOWELL offered the following amendment:

That no part of the appropriation carried in this act, or any other general appropriation bill for the fiscal year ending June 30, 1935, shall be used in payment in excess of 85 percent of any salary or compensation of any officer or employee of the Government (except judicial officers) where such salary or compensation is in excess of \$6,000.

I voted for this amendment because I felt then, and I feel now, that Government officials receiving more than \$6,000 per annum could afford to wait until the financial condition of the country improves before having their former salaries restored.

SCHOOLS AND ROADS

Schools and roads go hand in hand with the progress and development of our Nation. I have advocated and voted for appropriations giving Federal aid to our colleges and schools and our Federal, State, and county systems of roads. Federal aid has heretofore been given to certain classes of roads, more for the benefit of tourists and pleasure-seekers than any other class. The time has come when more attention should be given to strictly rural roads that are used by rural-route carriers and farmers in transporting their farm products.

No body of men and women has ever worked harder to bring success out of failure than the Members of the Seventy-third Congress. Regardless of party affiliations, they have, in the main, stood together like soldiers and faithfully followed the leadership of our President. This great Nation belongs to us all and it is our duty as good

citizens, regardless of our station in life and political opinions, to pull together for better and brighter days. If we will do this we will soon fully emerge from the most disastrous depression into the most prosperous era of our entire history.

LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. BANKHEAD. Mr. Speaker, the Committee on Rules has reported a rule for the consideration of the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia. By agreement with the minority members of the Committee on Rules, I think it would be entirely agreeable, in order to save time, to request unanimous consent for the consideration of the bill under the terms provided in the rule. This matter ought not take very long. As I understand, there is no opposition to the bill itself. It is a matter that has been given very careful consideration for 3 or 4 years by the committee in charge of it. It is a matter of very great importance, I understand, for the protection of policyholders and other insured people in the District of Columbia against fake companies and fake agents. I, therefore, submit this unanimous-consent request, that the bill, H.R. 9178, may be considered in the House under the terms provided in the rule.

Mr. MARTIN of Massachusetts. Reserving the right to object, on Saturday when this bill was called up I objected to the unanimous consent because I was not acquainted with the text of the bill, which contained 133 pages. Since then I have made some inquiries, and I find the legislation is proper, and in fact should be enacted into law. Therefore, I join with the gentleman from Alabama in his request.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. ZIONCHECK. Does the gentleman mean to intimate that he has studied this 133 pages of legislation?

Mr. MARTIN of Massachusetts. Far be it from me to intimate that fact. I am confident, however, the bill is proper to pass.

Mr. TRUAX. Reserving the right to object, I would like to ask the gentleman from Alabama if it is the purpose to consider the bill today?

Mr. BANKHEAD. It is. Under the terms of the rule, if the gentleman is not familiar with it, it provides that there shall be 30 minutes' general debate, and the time shall be equally divided between and controlled by the chairman and the ranking minority member. The bill should then be considered as having been read for amendment. That is because of its great length. Amendments to all parts of the bill shall thereupon be in order.

Mr. TRUAX. I will say there were some of us who objected to the bill on that ground, that it was so long, and we wanted to see it. Personally, I have not had an opportunity, and I would like to read it tonight if the gentleman would call it up tomorrow morning.

Mr. BANKHEAD. Well, we have a great many more matters that we want to take up. There are a great many rules that I am being besieged to call up. The Speaker has a number of bills on his desk for which he intends to recognize Members to move to suspend the rules.

Mr. TRUAX. I understand the gentleman's position perfectly, and I am in sympathy with him, but I personally want to study this bill. At least, I want to read it before I vote upon it. I will have to object if the gentleman insists on his request.

Mr. BANKHEAD. Does the gentleman object?

Mr. TRUAX. Mr. Speaker, I object.

Mr. BANKHEAD. Mr. Speaker, I call up House Resolution 397 and ask its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be considered as having been read for

amendment and amendments to all parts of the bill shall thereupon be in order. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. HARLAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 9178, the life insurance bill, with Mr. SROVICH in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. HARLAN. Mr. Chairman, in the District of Columbia all the law pertaining to life-insurance companies is included in 13 sections of the code. These sections include also a lot of law pertaining to other kinds of insurance.

For the last 3 years the committee of which I am a member has been working upon a reasonable codification of the laws of the District on the subject of insurance. We have taken as a basis, to a great extent, the insurance codes of the States of New York, Massachusetts, Wisconsin, and Ohio, to draft the present bill.

This bill has the approval of the Life Presidents Association; it has the approval of the insurance superintendent in the District; it has the approval of the Commissioners of the District of Columbia. It is very urgently needed. Unlike almost any State in the Union there is no law in the District controlling the provisions of the policy. Any kind of a policy can be written and sold in the District of Columbia. Now, in your State and in mine certain provisions must be inserted in standard policies written by insurance companies and certain other provisions may not be inserted in insurance policies.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield at this point?

Mr. HARLAN. I yield.

Mr. BLANCHARD. This proposed insurance law is based upon the experience of the four States mentioned and others.

Mr. HARLAN. There is absolutely no provision in this proposed code that is not to be found in existing law in some State. All the provisions in the pending bill have been interpreted many, many times by the courts of the different States.

Under certain types of policies that may be sold in the District, there is no assurance that if the holder of the policy defaults in his premium payments he may share in the surplus arising out of the policy.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. BLANTON. Has the gentleman ever studied the evidence and my report of the investigation that I made of Insurance Commissioner Miller when he was superintendent of insurance here, and the charges I filed against him, which caused his removal, the papers being in the files of the District Committee?

Mr. HARLAN. While I have not seen it in the files, I have heard it discussed frequently.

Mr. BLANTON. I conducted that investigation, and I remember very distinctly that the evidence I produced showed that he had been charging each of the companies for doing business here so many hundred dollars a year, and was having each of them make him large annual donations, which he called his "entertainment funds." He had

been collecting fraudulently thousands of dollars from the various insurance companies. Is there anything in the pending bill that will make such fraudulent practices impossible?

Mr. HARLAN. Unfortunately, that is, I think, beyond the law. That is just graft.

Mr. BLANTON. Well, it caused the immediate removal of Insurance Commissioner Miller. At that time there was no other way of punishing him. He was collecting what he called an "entertainment fund" and he claimed it was voluntarily contributed and that he was entertaining people all over the United States with the money. The authorities here claimed he could not be prosecuted. I was hoping that there would be some safeguards put in this insurance code that would make such practices a specific crime.

Mr. HARLAN. I may say to the gentleman from Texas that this code has little to do with anything except life-insurance business and the agents who sell life insurance. The acts complained of by the gentleman would constitute a crime almost any place in the country. It would come within the category of bribery, graft, and things of that nature. The pending bill contains no specific provision against that. It is not covered any further than it is covered in the Criminal Code.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. TRUAX. The gentleman does not, of course, mean to infer that the outstanding life-insurance companies of the country, such as the Prudential, the New York Life, the Mutual Life, the Metropolitan, and many others I can name, are following in the District of Columbia in the settling of claims any different practice than they follow in the State of Ohio or any other State in the Union?

Mr. HARLAN. I may say to the gentleman that we are not attempting to cure any defect of the responsible companies.

Mr. TRUAX. It is not a defect; it is an established custom, and it is a good custom.

Mr. HARLAN. The reliable companies are following in the District of Columbia the same customs they practice elsewhere, and their policies contain the standard provisions. It is the "fly-by-nights" we seek to reach. For example, a little company was organized down here in one of the nearby States—I will not mention the name—which put out a perfectly fraudulent advertisement, setting up a ratio of liquidity which showed it to be more reliable and more stable than some of the big companies. It sold lots of insurance in the District of Columbia. There is nothing against that kind of advertising when it is justified by the facts. We have in this proposed code, of course, a provision against fraudulent advertising, just as they have in almost every other place except the District. The final outcome in the illustration I mentioned was that the company became insolvent and thousands of policyholders in the District of Columbia lost money.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. BLANTON. I have a complaint against a company here in the District that has been selling life insurance down in Texas. It sold life insurance to a great many people down there. Just 2 or 3 months ago it notified them that it was going out of business, and all these people suddenly found themselves with valueless policies in their possession.

Mr. HARLAN. Was that a company connected with a labor union?

Mr. BLANTON. It is the National Home Union, with offices at 723 Albee Building, Fifteenth and G Streets NW., Washington, D.C., and here is a notice that on March 20, 1934, it sent to one of my constituents, Mrs. Elsie F. Griffith, box 63, Anson, Tex., asking for the monthly remittance of \$3.50; and that March 20, 1934, was the same day it closed its doors here. And when I got after them, here is the letter they sent:

WASHINGTON, D.C., April 21, 1934.

DEAR SIR: On the 20th day of March the National Home Union, by its president, W. T. Hardy, mailed out to all its members a

letter stating that it was voluntarily liquidating its business under an agreement made with Government officials, and that the undersigned had been selected as attorney to carry out this liquidation. After this letter was mailed, Mr. Hardy remained in the office of the Home Union for a number of days, handling correspondence, etc. He has now left Washington, since which time all correspondence addressed to the Union comes directly to me.

In Mr. Hardy's letter of March 20 he stated that unearned dues would be refunded. This has now been done. I have received a number of letters, among which yours is one, which indicate that many members misunderstood the term "unearned dues." "Unearned dues" means dues paid in advance as of the closing date. For instance, if a member had paid dues for 3 months in advance, and the certificate was canceled 6 weeks after this payment was made, then one-half of the amount paid would be "earned" because the certificate stayed in effect for one-half of the 3 months. The other half would be "unearned" and would have to be refunded. That is what has been done in this case. The closing date was March 20. Cutting the records off as of that date, all dues which were unearned have been refunded.

Obviously dues collected all the way back cannot be refunded. These dues have been expended to pay the expense of the organization and to pay claims. I am now engaged in settling claims and other obligations which were still outstanding as of the 20th day of March. It will not be possible to tell exactly what these debts and claims come to until about the 1st of July. At that time if any funds remain on hand which are not required to pay debts and outstanding claims, such funds will be distributed to members of 1 year's standing, as provided by the bylaws of the organization. Beyond this there will be no funds out of which other money paid into the organization can be refunded.

If the books of the union show that your dues were paid in advance as of the 20th day of March, you should have already received a check. This check would not be for all dues paid by you, but only for dues which were unearned as of the closing date. All checks mailed out were for the amount of unearned dues as appears on the records of the union. If you have not received a check, then the records do not show anything due you; unless, of course, some mistake has been made.

Trusting that this explains the situation fully, I am
Very truly yours,

VERNON B. LOWREY,
Attorney, 1518 K Street NW., Washington, D.C.

Mr. BLANTON. The officials of this company ought to be in the penitentiary.

Mr. HARLAN. In the early eighties a group of individuals pretending to be union-labor members had passed through Congress a bill allowing mutual-aid societies to be created. Although it was expressly stipulated in the floor discussions when this bill was being enacted that insurance features were not to be included under mutual aid, nevertheless this group went to Texas and organized a mutual-aid company and started to write life insurance. They did a lot of business in Texas. When the Texas Insurance Department required them to submit their books for examination they said that they were a Federal company and not under the supervision of the Texas Insurance Department. When the Insurance Department of the District of Columbia demanded the right to examine their books, they refused such examination because they said they were not writing insurance in the District of Columbia. This is probably the company to which the gentleman refers, as I am sure it is not the Union Labor Life Insurance Co. of Washington, in which I myself am carrying a policy, which company, I understand, is perfectly sound. The Texas company was really masquerading as a union-labor organization rather than as a real life-insurance organization.

Mr. BLANTON. The following is another letter I received:

HON. THOMAS L. BLANTON,
Washington, D.C.

ANSON, TEX., May 28, 1934.

DEAR SIR: I have received a copy of a letter dated May 8 from you to Mr. W. T. Hardy relative to an insurance policy.

Attached is some correspondence of a neighbor and friend of mine relative to a similar policy. I think these letters are self-explanatory.

It seems as if Mr. Hardy has left Washington, and this business has been placed in the hands of Mr. Vernon B. Lowrey, 1518 K Street, Washington, D.C.

I am informed that the local agent, Mr. W. S. Dickerson, lives in Abilene, Tex., and has been selling policies of this nature for 15 years in this immediate section of the State. I am also informed that there are a large number of policyholders of this company in this surrounding territory.

Am sending the attached letters in order that you may understand more clearly the circumstances relative to this matter, and I trust that you will give the matter due consideration.

Thanking you in advance for any efforts on your part, I beg to remain,

Very respectfully,

Y. G. BARTLETT.

Is there anything in this proposed code to stop such fraudulent practices?

Mr. HARLAN. There is a provision in the law we passed 2 years ago that would stop it. That is probably the reason the company went out of business. It probably went out of business on account of the working of that law.

We had no law in the District whereby we could compel companies that organized in the District and went into some other States to come into the District for examination. We passed this law about a year ago, and I imagine that is what caused this company to go out of business.

There is nothing in the present law of the District to keep a man from walking out of the penitentiary and selling insurance. There is no way to control to whom licenses may be issued. There is no way to control advertising. There is no way to control the policies. In fact, Mr. Chairman, the District of Columbia here has absolutely no protection against fraudulent insurance companies. One company, the National Benefit Life, sold policies all over the United States to colored people. It came in here and dissipated its assets and became insolvent. There is no provision under our law here for the Insurance Commissioner to take over these insolvent companies and conserve their assets, as there is in your State and in my State. So this company had to go into court under the old procedure of asking for a receiver, which is slow and expensive, and by the time the receiver, appraisers, and all the experts had gotten through, there was no company that would take over this company and its policyholders. The colored people all over the South and throughout every part of the country lost every cent they had put into the company. There is nothing needed more in the District to protect the people here and to maintain decent, honest insurance than this code.

Mr. MALONEY of Connecticut. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Connecticut.

Mr. MALONEY of Connecticut. Has the gentleman been advised by or had the assistance of any of the insurance commissioners of the States in connection with this matter, or by insurance-company executives?

Mr. HARLAN. We have had the advice of the Life Presidents' Association, with their legal staff, and they unanimously approve this bill.

Mr. TRUAX. May I ask the gentleman about the case of the Gem Life Insurance Co., of Dayton, Ohio, which also dissipated its assets?

Mr. HARLAN. I do not yield to the gentleman.

Does the gentleman over there wish to yield any time?

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield back our time.

Mr. HARLAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. PEYSER].

Mr. PEYSER. Mr. Chairman, I happen to be familiar with this bill that we have before us and I know that it embodies the best that is now carried in the various insurance laws throughout the country. The laws of Wisconsin, Massachusetts, and, I think, New York are considered as standard forms of insurance laws. Most States have followed these three States, and I understand that in framing this law they have taken the best from the State laws throughout the country and put it together in order to give the best to the people of the District of Columbia.

As the situation exists now, there is absolutely no protection for the insurance buyer in the District of Columbia. The companies of better standing naturally write insurance in the District on the same terms as they do in the various States, but there is nothing here to exclude the company that comes in writing what we may call "wildcat coverage." There is nothing to protect the buyer against the unscrupulous salesmen of insurance.

If these laws are put into effect, it would bring to the insurance buyer the protection that is accorded to the buyers of every State of the Union and which the District buyer of insurance has been deprived of. The Life Insur-

ance Presidents' Association, which I know collaborated in the preparation of this law, has taken into consideration the laws of the various States throughout the country, and from my knowledge of insurance and my knowledge of this law, I think it would be a terrible mistake if it were not passed. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: On page 102, line 9, after the last syllable and the word "establishment", insert "and to an association of Federal employees."

On line 10, after the word "only", strike out the word "all."

On line 11, strike out the first words "all of."

Mr. WOODRUM. I may say, Mr. Chairman, that I have discussed this amendment with the gentleman from Ohio and it is satisfactory to him.

Mr. BLANCHARD. Is it the purpose of this amendment to put the Association of Federal Employees under regulation?

Mr. HARLAN. No; that is not the idea. This is in the section of the bill pertaining to group insurance. When the group-insurance provision was taken up, it only carried such groups as are taken care of in other sections of the country. Here in the District we have a number of organizations of Federal employees. Personally I think the section is broad enough to cover them, but this just extends the privilege of group insurance to these Federal employees' unions; that is all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mr. BANKHEAD. Under the rule, the Committee now rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SROVICH, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia, pursuant to House Resolution 397, he reported the same back to the House with an amendment.

The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. TRUAX) there were—ayes 85, noes 1.

Mr. TRUAX. Mr. Speaker, I make the point of order there is no quorum present, and challenge the vote on that ground.

Mr. TABER. Mr. Speaker, a parliamentary inquiry. How long is the Democratic filibuster going to last? We have had 8 or 10 roll calls.

Mr. ZIONCHECK. Mr. Speaker, I object to that.

Mr. TRUAX. I will say to the gentleman that this is no Democratic filibuster. I had an amendment to offer to this bill and was not permitted to offer it.

HOUR OF MEETING TOMORROW

Mr. BYRNS. Mr. Speaker, if the gentleman will withhold his point a moment, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, are not 11 o'clock sessions rather early?

Mr. BYRNS. I appreciate that, but we will have to have a roll call or else we will have to stay here until 6 o'clock to finish this bill. I am trying to accommodate the convenience of the Members of the House by meeting at 11 o'clock tomorrow.

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman from Tennessee tell us what is to be the business in order tomorrow?

Mr. BYRNS. We will have up the housing bill tomorrow and that will take all day, and perhaps longer.

Mr. MARTIN of Massachusetts. How much general debate will be allowed on that bill?

Mr. BYRNS. A rule has not been granted, and I do not know.

Mr. MARTIN of Massachusetts. Will that be the first thing in order tomorrow?

Mr. BYRNS. We will first have to finish this bill and that is the reason I want to meet at 11 o'clock. I hope the gentleman will withdraw his point.

Mr. TRUAX. I will say to the gentleman from Tennessee that the gentleman will not withdraw it and the gentleman will also object to the gentleman's unanimous-consent request.

Mr. BYRNS. Then we will have the roll call now.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that the House meet at 11 o'clock tomorrow?

Mr. TRUAX. Mr. Speaker, reserving the right to object, I had no chance to offer my amendment. I was deliberately shut out and I am tired of being gagged and hog-tied and bound.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

DEDICATION OF THE NEW POST OFFICE DEPARTMENT BUILDING

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein the address of the gentleman from New York [Mr. MEAD] delivered today at the dedication of the Post Office Department Building.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HAINES. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech by Hon. JAMES M. MEAD, Chairman of the House Committee on the Post Office and Post Roads, at the dedication of the new Post Office Department Building on June 11, 1934:

Today we are dedicating a building of primary importance to every citizen of our Republic. It is the headquarters of a service which reaches out to every nook and corner of our land, to rich and poor, to crowded city dwellings, to isolated farm homes.

This splendid building, one of the finest in America, is a fitting symbol of the progress made throughout the years by the largest business activity in the world.

Back in 1639 the little tavern of Richard Fairbanks in Boston became our first post office. There were no post roads in those days, and months would go by as the letters were passed along, until they at last reached their destination. But as trails were made and methods of transportation improved, the post riders became familiar figures on the highways, and the postal system got its real start.

The post roads have blazed the paths of history. Wherever man settled, the post followed, keeping him in communication with those left behind, encouraging others to forge ahead to the new lands; and as the settlements developed, the post roads became the lanes of traffic and commerce.

All through its development the watchword of the Service has been "Speed up the mails." The newest and fastest methods of transportation have always been quickly adopted by the Postal Service. The stagecoach, the pony express, the steamboat, the railroad, the airplane—each one has added something to the speed of the mails.

Carrying Lincoln's first Inaugural address, the pony express set a record over the 2,000-mile pathway in 7 days and 17 hours; this year the air mail set a new high record of 11 hours and 31 minutes, flying the mail from Los Angeles to New York City.

Along with speed, the Department has developed accuracy. Compare the direct methods of today, the privacy insured your mail, the promptness with which it is dispatched, with the crude methods early in the history of the Service—the long, hazardous trails, the dangers lurking along the way, the uncertainty of delivery, when every man was relied upon to aid in the transmittal of the mail.

This monumental building we are dedicating today not only symbolizes the growth of the Postal Service in its relation to the patrons; it also symbolizes the growth of an establishment which has been a model for private enterprise in its relation to its employees.

Coupled with quick and accurate delivery for the patrons of the Service, must be humane working conditions for the postal employees. As the largest business in the world, it is up to the Postal Service to set a standard for private enterprise. Retirement benefits, short working hours, annual vacations and sick leave with pay, pay for overtime, extra pay for night work, are all milestones toward this goal. But our job is not finished; we must not stop; more improvements must be adopted; and when they have become a part of our Postal Service, and private enterprise adopts these policies, then we will have reached the objective of the new deal—security for the worker, security for his family, security in his home, the hope of our great President.

Our postal employees are the Department's representatives and a vital part of the Service. The efficiency of the Service depends upon the efficiency of the employees, and their efficiency in turn depends upon what we do to provide good working conditions for them—a living wage, so that they may meet their bills and enjoy some of the comforts of life; opportunities to add to their store of knowledge, so that they may keep step with the world's progress and bring more intelligence to their jobs.

The Post Office Department has a tremendous obligation to its employees and, by example, to all the employees of the country; at the same time, it has a magnificent opportunity to point the way in this emergency. Our Post Office Committee desires to do its part; I know our Postmaster General, Mr. Farley, and his able corps of assistants are striving to do their share. If we adhere to the rich traditions of the past and continue to blaze the paths of progress, development, and understanding, we are sure to be successful in upholding the prestige of the Service and maintaining a business which is the finest in the world.

In this connection I desire to commend our Postmaster General and those associated with him. Under the most severe conditions, with almost insurmountable obstacles in his pathway, he has met the emergency and weathered the storm without separating a regular employee from the pay roll and by improving conditions as rapidly as opportunity permitted. Mr. Farley, there remains no trace of favoritism in the administration of the affairs of the Postal Service. You are giving a real service to the American public, a square deal to all who do business with your Department.

We have paused today to remember the glories of the past; we have given recognition to the achievements of the present; we are looking ahead with dreams for the future. We know that just as we have come to our present development, so in the years to come greater things will be unfolded, distances will be bridged even faster, the methods of today will become antiquated, the Postal Service will keep step with progress, and help lead our country to its ultimate development.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CLARK of North Carolina, indefinitely, on account of sickness in his family.

To Mr. HEALEY, indefinitely, on account of illness.

To Mr. FITZPATRICK, for 4 days, on account of important official business.

To Mr. ROBERTSON, for the day.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3553. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey; to the Committee on Interstate and Foreign Commerce.

S. 3739. An act authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti; to the Committee on Foreign Affairs.

S. 3741. An act to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes; to the Committee on the Public Lands.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4337. An act to amend the judicial code by adding a new section to be numbered 274D;

H.R. 8781. An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes; and

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 35 minutes p.m.) the House, in accordance with its previous order, adjourned to meet tomorrow, Tuesday, June 12, 1934, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

500. A letter from the Governor of the Federal Reserve Board, transmitting the twentieth annual report, covering operations of the Board during the calendar year 1933 (H.Doc. No. 142); to the Committee on Banking and Currency and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MALONEY of Louisiana: Committee on Interstate and Foreign Commerce. H.R. 9599. A bill to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics; without amendment (Rept. No. 1931). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROSSER of Ohio: Committee on Interstate and Foreign Commerce. H.R. 9861. A bill to amend the Railway Labor Act approved May 2, 1926, and to provide for the prompt disposition of disputes between carriers and their employees; with amendment (Rept. No. 1944). Referred to the Committee of the Whole House on the state of the Union.

Mr. MITCHELL: Committee on Agriculture. S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act; without amendment (Rept. No. 1946). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine, Radio, and Fisheries. H.R. 9223. A bill to amend section 27 of the Merchant Marine Act, 1920; with amendment (Rept. No. 1947). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H.R. 9876. A bill to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act and certain laws relating to national banking associations, and for other purposes; with amendment (Rept. No. 1948). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. S. 527. An act for the relief of Lillian Morden; with amendment (Rept. No. 1932). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 568. An act for the relief of Winifred Meagher; without amendment (Rept. No. 1933). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 762. An act for the relief of Teresa de Prevost; without amendment (Rept. No. 1934). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2074. An act for the relief of James R. Mansfield; with amendment (Rept. No. 1935). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2336. An act for the relief of the estate of Mrs. Donnie Wright, deceased; with amendment (Rept. No. 1936). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2343. An act for the relief of Herbert E. Matthews; without amendment (Rept. No. 1937). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2501. An act for the relief of Dr. R. N. Harwood; without amendment (Rept. No. 1938). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2613. An act for the relief of Jewell Maness; without amendment (Rept. No. 1939). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3017. An act for the relief of Edwin C. Jenney, receiver of the First National

Bank of Newton, Mass.; with amendment (Rept. No. 1940). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3122. An act for the relief of H. N. Wilcox; with amendment (Rept. No. 1941). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3160. An act for the relief of Charles E. Secord; without amendment (Rept. No. 1942). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3656. An act for the relief of Robert N. Stockton; without amendment (Rept. No. 1943). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Wisconsin: A bill (H.R. 9901) prohibiting the transportation in interstate commerce of any questionable moving-picture film; to the Committee on Interstate and Foreign Commerce.

By Mr. IGLESIAS: A bill (H.R. 9902) to exempt certain articles processed in Puerto Rico from taxes imposed under the Agricultural Adjustment Act; to the Committee on Agriculture.

By Mr. RANKIN: A bill (H.R. 9903) to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to private corporations to aid in constructing and maintaining facilities for the marketing, storing, warehousing, and/or processing of forest products; to the Committee on Banking and Currency.

By Mr. BROWN of Michigan: A bill (H.R. 9904) to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended; to the Committee on Banking and Currency.

By Mr. DOCKWEILER (by request): A bill (H.R. 9905) to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat.L. 602), by adding a new section thereto, to be known and designated as "section 8"; to the Committee on Indian Affairs.

By Mr. CARTWRIGHT of Oklahoma: A bill (H.R. 9906) providing for the cancellation of interest on loans to veterans on their adjusted-service certificates; to the Committee on World War Veterans' Legislation.

By Mr. BLOOM: A bill (H.R. 9907) to provide for the co-operation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in kindergarten education; to the Committee on Education.

By Mr. CROSSER of Ohio: A bill (H.R. 9911) to provide a retirement system for railroad employees, and thereby to provide unemployment relief, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGHTON: Resolution (H.Res. 428) to provide for the expenses of the investigation authorized by House Resolution 418; to the Committee on Accounts.

By Mr. FISH: Resolution (H.Res. 429) providing for a select committee to investigate the activities of the Tennessee Valley Authority and its agents and subsidiaries; to the Committee on Rules.

By Mr. DUFFEY: Resolution (H.Res. 430) authorizing and directing the Committee on the Judiciary to inquire into and investigate the official conduct of James H. Wilkerson, a district judge of the United States for the northern district of Illinois, and Walter C. Lindley, a district judge of the United States for the eastern district of Illinois; to the Committee on the Judiciary.

By Mr. LEHR: Resolution (H.Res. 431) to provide for the expenses of the investigation authorized by House Resolution 430; to the Committee on Accounts.

By Mr. DUFFEY: Resolution (H.Res. 432) providing for the continuation of the investigation authorized by House Resolution 145; to the Committee on Rules.

By Mr. LEHR: Resolution (H.Res. 433) to provide for the expenses of continuing the investigation authorized by House Resolution 145; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. CLARKE of New York: A bill (H.R. 9908) granting an increase of pension to Jennette Knapp; to the Committee on Pensions.

By Mr. DOUTRICH: A bill (H.R. 9909) for the reinstatement in the United States Army of John Widder Bryan; to the Committee on Military Affairs.

By Mr. PARSONS: A bill (H.R. 9910) granting a pension to Alice Floyd; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5091. By Mr. LINDSAY: Petition of the Independent Petroleum Association, Washington, D.C., favoring the Federal petroleum bill (H.R. 9676); to the Committee on Interstate and Foreign Commerce.

5092. Also, petition of G. J. Farrell, 1823 Broadway, Brooklyn, N.Y., on behalf of Local 2325, Brotherhood Railway & Steamship Clerks, favoring 6-hour day bill and old-age pension for railroad employees; to the Committee on Labor.

5093. Also, petition of the Brooklyn Real Estate Board, Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5094. Also, petition of open-shop section of New York Employing Printers Association, opposing the Wagner labor bill; to the Committee on Labor.

5095. Also, petition of the Chamber of Commerce of the State of New York, opposing the silver legislation; to the Committee on Coinage, Weights, and Measures.

5096. Also, petition of the Chamber of Commerce of the State of New York, favoring further study of the Wagner labor bill; to the Committee on Labor.

5097. Also, petition of the Sunrise Coal Co., Inc., Richmond Hill, N.Y., opposing the Wagner amended labor disputes bill, S. 2926; to the Committee on Labor.

5098. Also, petition of the American Institute of Warehousing, Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor disputes bill; to the Committee on Labor.

5099. By Mr. RUDD: Petition of the Progress Shoe Co., Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5100. Also, petition of the Sunrise Coal Co., Brooklyn, N.Y., opposing the passage of the Wagner amended labor disputes bill; to the Committee on Labor.

5101. Also, petition of the American Institute of Warehouses, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5102. Also, petition of Frank M. Strang, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5103. Also, petition of Brooklyn Fireproof Storage, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5104. Also, petition of the Kings County Warehouses, Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5105. Also, petition of Charles D. Strang, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5106. By Mr. SMITH of Washington: Petition containing approximately 200 names of residents of southwest Washington, supporting the Townsend old-age revolving pension plan; to the Committee on Labor.

5107. By Mr. VINSON of Kentucky: Petition of Judge W. A. Wilhoit, to provide a retirement system for railway employees; to the Committee on Interstate and Foreign Commerce.

5108. By the SPEAKER: Petition of the Hospital Association of Illinois; to the Committee on Ways and Means.

5109. Also, petition of the Cragin State Bank Depositors' Justice Committee, Chicago, Ill.; to the Committee on Banking and Currency.

5110. Also, petition of J. G. Thomas and others, supporting House bill 9596; to the Committee on Interstate and Foreign Commerce.

5111. Also, petition of the members of the South Orange Council, No. 1831, Knights of Columbus, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

5112. Also, petition of C. E. Knight and others, supporting the lottery bill; to the Committee on Ways and Means.

5113. Also, petition of Mrs. R. N. Jones and others, supporting House bill 6097; to the Committee on Interstate and Foreign Commerce.

5114. Also, petition of the Baltimore Association of Commerce; to the Committee on Ways and Means.

5115. Also, petition of the Rayon Textile Workers' Union, Local 2032, supporting the Wagner labor bill; to the Committee on Labor.

5116. Also, petition of J. E. Kelly and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5117. Also, petition of the Provincial Board of Agusan; to the Committee on Ways and Means.

5118. Also, petition of the Illinois Steel Co., South Chicago, Ill., voicing the opinion of 10,000 employees to the Wagner bill; to the Committee on Labor.

5119. Also, petition of the Havana Chamber of Commerce, Havana, Ill., opposing the Wagner national labor-disputes board bill; to the Committee on Labor.

SENATE

TUESDAY, JUNE 12, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 11, was dispensed with, and the Journal was approved.

ORDER FOR CONSIDERATION OF CALENDAR TOMORROW

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that when the Senate meets tomorrow it proceed to the consideration of unobjected bills on the calendar, commencing with Calendar No. 1243, and that if that call shall be completed the Senate recur to the consideration of the calendar for unobjected bills from the beginning.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

RAILROAD EMPLOYEES' RETIREMENT SYSTEM

Mr. KING. Mr. President, may I inquire of the Senator from Arkansas, what is the program with respect to Senate bill 3231, to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes? I should be very glad to have that bill taken up at as early a date as possible and placed on the preferred list for consideration.

Mr. ROBINSON of Arkansas. Mr. President, it is my desire that the bill to which the Senator from Utah refers shall be speedily taken up; but tentative arrangements have been made first to consider what is known as the "Indian bill", and then the grazing bill. After those two bills shall have been disposed of, I shall be glad to cooperate to bring forward the bill the Senator from Utah mentions.

Mr. KING. Then it is obvious that within a few days the bill will be on its way to consideration?

Mr. ROBINSON of Arkansas. I think it may be reached today.

INVESTIGATION OF MANUFACTURE OF MUNITIONS—NOTICE

Mr. CLARK. Mr. President, I desire to give notice that tomorrow, as soon after the meeting of the Senate as I may be able to obtain recognition, I desire to address the Senate on the subject of the investigation of the manufacture of munitions heretofore authorized by the Senate.

STATEMENTS AS TO VOTES AND PAIRS ON SILVER BILL

Mr. FESS. Mr. President, yesterday, about quarter to 6, I was called from the Senate Chamber. I realized that we were approaching a vote on the silver bill, but I felt that if I could secure a pair there would not be any jeopardy either in the vote on the issue or to the individual Senators; so I secured a pair with my friend from Illinois [Mr. DIETERICH]. On the basis of the amendments which were before me, I suggested that it was not essential that anything be stated except the fact of the general pair.

This morning as I read the papers and found that the bonus question had been voted on, I was not only amazed but I was shocked. I had no idea, not the slightest hint from any source, that a bill that had been reported would be sought to be attached to a piece of silver legislation in the form of an amendment. I am aware that the rules of the Senate are loose enough to permit it, but surely we ought to have some modification of our rules on a question like that. Consequently, I am mentioned as not voting, which is true, and in the list of pairs the Senator from Ohio [Mr. FESS] is announced as having a pair with the Senator from Illinois [Mr. DIETERICH]. As that stands, it would appear to some readers that I was for the bonus and the Senator from Illinois was against it.

I do not know how the Senator from Illinois stood on the matter, but the country knows how I have always stood upon it. I have invariably opposed the proposal known as the "cash payment" of the bonus; but unfortunately, having been called from the Senate Chamber without any suggestion that that sort of an amendment would be offered, I am somewhat embarrassed. I simply rise to make the statement that had I been here yesterday afternoon when the amendment was offered I should have voted against the proposal, and at any time that it might have come up I should have voted against it; and I should like, if it be in order, to have my statement appear in the permanent RECORD following the vote, because I do not wish to be misunderstood. In other words, there is not anything to me so distasteful as the charge that a Senator has dodged an issue. I despise a situation of that kind.

Mr. LEWIS. Mr. President, if the Senator will allow me—

Mr. FESS. I yield.

Mr. LEWIS. I assure the Senator that upon the motion made by the Senator from Minnesota [Mr. SHIPSTEAD], in the manner made and for the purposes made, both Senators from Illinois—my eminent colleague [Mr. DIETERICH] and myself—would have voted "nay." The able Senator from Ohio may rest assured of such position. Therefore, he should not be embarrassed by any assumption that my colleague's vote would have been "yea" on that motion. It would have been the same as that of the Senator from Ohio.

Mr. FESS. I thank the Senator.

Mr. President, have I the consent of the Senate to have my statement appear in the permanent RECORD following the vote?

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio? The Chair hears none, and it is so ordered.

Mr. TYDINGS. Mr. President, on yesterday, at the time the vote was taken on the silver bill and amendments thereto, I had been requested by the relief committee of the State of Maryland to attend a meeting with Mr. Harry Hopkins, and during the time the vote was being taken I was necessarily absent. I wanted to make the statement for the RECORD that I was in Mr. Hopkins' office conferring with the relief committee of Maryland, which had asked me to accompany them for that purpose.

Mr. LEWIS. Mr. President, at this point, touching the RECORD, I wish to confirm the statement made by the eminent Senator from Rhode Island [Mr. HEBERT] at the time of the vote on the silver bill. I was present in the Postmaster General's Department, where there was something of a celebration attendant on the opening of the new quarters of the Post Office Department, and I missed the vote.